

The National LIFE INSURANCE WRITER

Sep 9 1933
LIFE
AN ADVERTISING
AGENCY OF NORTHWESTERN
LIFE INSURANCE COMPANY

FRIDAY, SEPTEMBER 8, 1933

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The Contract Was Made

A young man recently conferred with representatives of The Northwestern Mutual Life Insurance Company about an agency contract, but he frankly stated that if he ever should become an agent, he could not possibly sell Life Insurance the way agents had tried to sell it to him.

He must have had an unusual and unfortunate experience. He declared that most of the men who solicited him were "fraternity brothers," who greeted him with a breezy slap on the back and whose main plea for business was that there was a "contest" on, and that they needed only "ten thousand more" to make the grade!

Not one of them stressed, or attempted to explain, the advantages of Life Insurance as a protection to the family during the time he was otherwise engaged in creating an estate for them.

Some of them, knowing that he had been connected with a travel bureau and that he had conducted parties all over Europe and other foreign parts, suggested the advantages of Life Insurance as a means of building up a fund for travel—the last thing on earth he wanted to do when he got along in years.

True, others very properly advocated Life Insurance as an investment, and some talked about a fund for educating the children. Not one of them, however, emphasized Life Insurance as PROTECTION to loved ones; and that, as a matter of fact, was all he cared to know about Life Insurance.

That is why he desired to affiliate with The Northwestern Mutual Life Insurance Company. He wanted to sell good, honest-of-purpose LIFE INSURANCE. (*The contract was made.*)

**THE NORTHWESTERN MUTUAL LIFE
INSURANCE COMPANY**
Milwaukee, Wisconsin



National advertising opens the door and makes the introduction...a planned interview guides the presentation and keeps the prospect's mind on the track...a tested sales talk makes the policy tangible...desirable. That's how "Merchandised Selling" works!

The
UNION CENTRAL LIFE INSURANCE
Company
CINCINNATI, OHIO

The Nylic Agent's Life Income

It is as true of the man in the field selling insurance as of the one who buys that the sunset years of life should be financially secure and free from money worries.

New York Life agents who measure up to the standards set by the Company and who stick to the "Nylic" program for 20 years are able to take longer vacations, to travel, and to retire on a certain life income. No matter what may happen to their other investments, these faithful agents are financially secure in their later years, for they can always rely on their "Nylic" income. Yet most of them, enjoying the work, continue to insure their clients after 20 to 50 years of service, thus adding substantial commissions to their independent incomes.

"Nylic," in short, provides much the same incentive for the Agent as has prompted the growing popular interest in annuities.



HOME OFFICE BUILDING

**NEW YORK LIFE
INSURANCE
COMPANY**

51 MADISON AVENUE
NEW YORK, N. Y.

The National Underwriter

LIFE INSURANCE EDITION

Thirty-Seventh Year—No. 36

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, SEPTEMBER 8, 1933

\$3.00 Per Year, 15 Cents a Copy

Full Effects of Loans in Future

Canadian Actuary Believes Backwash of 1931 and 1932 Policy Hypothecation Due

PARKER SPEAKS ON LAPSE

More Rigid Budgeting by People Recently Helps Situation, Dominion Superintendents Are Told

The amount of surrenders has not abated this year and it is quite likely the increase of policy loans in 1931 and 1932 will not show their full effect in bringing about surrenders until the close of this year or even of 1934. This was the statement of J. G. Parker, actuary Imperial Life of Toronto, in his address on "A Present Day Life Insurance Problem" at the convention of Canadian insurance superintendents.

Life companies undoubtedly could lower both the surrender and lapse rates if they so willed, Mr. Parker said. In a large number of surrenders only a few have been due to the work of twisters, but most have been the result of a demand for money arising from economic conditions.

Investigation has shown there are certain classes of men, in certain financial conditions, certain occupations, certain locations, where policies are more subject to lapse and surrender than the average policy. By definitely refusing to insure certain individuals the companies automatically would improve their lapse and surrender rates. Mr. Parker said, however, he did not believe any one would admit the companies should refuse to cover lives of men in these classes, for temporarily at least thousands of these men urgently need the protection.

Diminished Writings a Problem

The diminished writing of new business has been one of the major problems, for it has made it increasingly difficult to maintain the producing organization at a high standard of efficiency which is demanded by the need for public service.

Lapses have not proved to be so great in volume in the last year as the year immediately following the boom years 1928-1929, he said. Figures on Dominion lapses, including ordinary and industrial, are: 1929, \$322,000,000; 1930, \$404,000,000; 1931, \$408,000,000; 1932, \$411,000,000. He said if industrial were eliminated from these figures it would be found lapses for 1932 were less in amount than for 1931 or 1930. The reason for the decrease in lapse, he believes, is that new insurance sold in 1930 and 1931 was purchased by men who had carefully budgeted expenses and were living within their diminished income.

Undoubtedly lapses would have been

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Moderation in Recruiting Is Anticipated This Fall

NEW YORK, Sept. 7.—Anticipating a speedy return of better selling conditions, life agencies are perfecting plans for fall recruiting activities which promise to be more intensive than at any time since the depression began. Some have already swung into action with their campaigns for increased man-power. Others, more skeptical, have plans but they are still in the blueprint stage.

There are two main reasons why fall recruiting campaigns will not be as spectacular as might be expected. First, many more aggressive agencies have been working right along at the limit of their capacities to induct new men into the business.

Sudden Expansion Difficult

An attempt at sudden expansion would unduly tax supervisory staffs or entail the necessity of adding to their number by training selected personal producers or drafting them from outside. The first course dangerously diminishes the effectiveness of the existing staff while the latter method is likely to be expensive and uncertain if attempted in too much of a hurry.

The second reason for probable moderation in the number of new agents is the definite distaste for financing new men, however promising, which practically all general agents and managers have come to feel. As the result of conditions during the last few years the idea of financing new men has fewer friends than ever before. In addition to a keen realization of the fallacy of the practice, it is generally felt that the present period is about the worst that could be picked for such financing.

Salaried Jobs at Premium

Never have there been so many men looking for any kind of salaried job. Men who otherwise would be above accepting a drawing account when they had no real intention of trying to earn it are driven by necessity to take anything they can talk themselves into and hang on to it as long as the general agent is willing to keep throwing good money after bad.

The much debated question whether or not to advertise in order to get new agents will again come to the fore. There is a sharp division of opinion among agency heads here as to its effectiveness. The desire to increase full-time forces to take advantage of the expected business upturn, however, is likely to cause many who looked askance at newspaper advertising for agents to give it a trial, as it is practically the only way of getting in touch with prospective agents on a large scale.

Disadvantage of Advertising

A difficulty with newspaper advertising is that if it is a good puller it is likely to bring in more replies than the office can handle. If 125 answers are received and 75 look good enough to justify interviews, those handling the interviews are certain to be unduly rushed unless the supervisory staff is unusually extensive. For this reason it is usually wise to keep the ads small, spreading them over several weeks, rather than

having a large display at less frequent intervals.

A prominent agency with a good deal of experience in recruiting through newspaper ads twice a month runs a want-ad costing about \$20. The supervisor in charge of recruiting figures he is doing well if he gets one good new man out of each five appearances of the ad. Newspaper advertising has the fault of attracting too many answers from those who fall below the agency's standard and also from many who are looking for connections paying far more than a new agent could reasonably hope to make.

Some Newspapers Exacting

Whether or not to say in the advertisement that life insurance is the business for which salesmen are sought is also a question on which there is a difference of opinion. Most agencies prefer to omit this fact from the ad, although the "New York Times" gets a good share of such advertising and insists that advertisers must tell not only what their business is but whether the job offered is on a salary or commission basis.

Recruiting by advertising is generally regarded only as a supplement to the most intensive possible recruiting through the natural contacts of the general agent, supervisory staff and agents. Even among those thoroughly sold on newspaper advertising for new agents there is a feeling that the best agents, with the best prospects of sticking with the agency and producing quality business, are likely to be obtained through the natural contact method. Where this process is too slow, however, newspaper ads make it possible to look over a large group of possible prospects, always with the chance of getting a real star.

No Formula for Qualifications

What to look for in men who answer ads is something general agents and supervisors do not find easy to reduce to formula. Sales experience is generally a good sign, but some men who turned out to be the best producers had no previous sales work. Frequently this type of man is extremely slow getting into production, so there may be a long and discouraging wait before the man hits his stride.

Loan Restrictions Are Rescinded in Maryland

BALTIMORE, Sept. 7.—Commissioner W. C. Walsh of Maryland has notified all life companies doing business in Maryland that all restrictions relating to loans on policies are now rescinded. "The regulations were issued," the order says, "because of the bank holiday and other causes which brought about an unreasonable demand for cash payments by life insurance companies. The department feels that the conditions which gave rise to the promulgation of these regulations have so far improved as to justify the com-

Fulton Broadcasts Message to Field

Home Life President Inaugurates Fall Recovery Drive in Long Distance Talk

INNOVATION IN SALES

Urge Agents to Adopt Normal Work Week of 40 Hours, 14 Planned Interviews

Something new in American sales methods was achieved Wednesday by President James A. Fulton of the Home Life of New York when, seated at his desk in the home office on Broadway, New York City, he talked over long distance telephone to all the company's agents throughout the country, his speech being amplified at the receiving end by means of a new type of telephone loud speaker which has been developed and was used for the first time in life insurance on this occasion.

Mr. Fulton's talk launched the Home Life's fall drive for new business. It is planned to use this means of close contact between home office and field beyond these campaign announcements, to bring home office personalities into the agency training programs and also into frequent agency meetings.

Agents Respond Enthusiastically

Immediately on the conclusion of the broadcast, telegrams pledging cooperation poured in from the company's agencies, expressing their gratification over the new and closer contact thus created between field and home office. These wires carried enlistment records of well over 300 "shock troops" which the company has organized for the special September "Recovery drive."

In his talk Mr. Fulton said in part: "Many of us have watched with awe-struck admiration at the heroic efforts of the federal, state and municipal government bodies in their enactment of unusual legislative measures that would enable us to return to sound fundamentals. And I want to emphasize unusual measures. It is the unusual leadership with unusual legislation that has started us on what we believe, to be the sound road to recovery.

Talks With Agents Informally

"With this background, I want to talk to you about your personal problems. The job of keeping up your own fighting spirit in the face of many obstacles has been difficult. The fact that many

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plete removal of the regulations, and accordingly all of the regulations are hereby rescinded."

Other states which have taken similar actions with effective dates are: Florida, April 10; Montana, June 16; Maine, August 15.

Canadian Superintendents Hold Meeting in Toronto

STRICTLY BUSINESS SESSION

Credits, Free Insurance, Automatic Cancellation and Uniformity Among Subjects Discussed

TORONTO, CAN., Sept. 7.—The annual conference of the Canadian Insurance Superintendents Association here this week is strictly business. Evening sessions were held Tuesday to Thursday.

The province of Prince Edward Island recently adopted insurance laws and appointed a superintendent. The superintendents' conference now has all provinces in Canada represented.

Attorney-General Price of Ontario condemned uniformity as a means of reducing government costs. Commissioner Brown of Minnesota urged establishment of national supervision but said, "You are still far in advance of us in the matter of uniformity." Actuary J. G. Parker of the Imperial Life, Toronto, said life insurance has stood up well. He submitted figures of agents' licenses to show that companies have not unduly increased the number of agents. His fine address is presented in part elsewhere in this issue.

Give Life Insurance Report

The session Tuesday was entirely occupied with a report on life insurance embodying 39 proposed amendments to present law. The conference agreed on some definitions and agreed that a life policy should state clearly whether it participates. The superintendents want company officials to define group insurance so that they can consider whether insurance laws should be amended to legalize practices in group insurance which have grown up since the uniform law was adopted ten years ago.

A report by Henry Brace on credit and free insurance claims there is much free insurance and recommends automatic cancellation after a certain period, and also bonding of agents, a strict form of agency contracts and compulsory reporting by companies of defaults.

Secretary Foster Reports

R. Leighton Foster gave his report as secretary. Although legislatures of all the provinces were in session no laws were enacted contrary to the superintendents' recommendations or impairing the uniformity already attained in insurance statutes. Every province passed laws adopting in whole or part recommendations made at the 1932 conference of the Canadian superintendents. Mr. Foster also reported for the committee on automobile insurance legislation and forms.

Charles Heath, chairman, and W. K. Colin Campbell, secretary, reported for the standing committee on blanks regarding uniform annual statement blanks. A problem which the committee mentioned was the differences in surplus shown in the various provinces for a company due to licensed and unlicensed reinsurers. In sections in the statement blank and law requirements are that the insurer must set up among liabilities a reserve for unlicensed reinsurance at different amounts for different provinces, depending on whether the reinsurer is licensed therein or not. A method should be found to overcome this difficulty.

G. W. Brown's Address

Commissioner G. W. Brown of Minnesota, who is president of the National Convention of Insurance Commissioners, in addressing the Canadian superintendents, cited some of the ways in which insurance supervision in the United States has displayed elements of strength in the depression. Much has been accomplished during the past year in

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Rollin Young Returns to the Franklin Life



ROLLIN YOUNG

Rollin Young, assistant manager and actuary of the American Life Convention, has been elected vice-president of the Franklin Life of Springfield, Ill. The acquisition of Mr. Young is part of a reorganization of some of the Franklin Life's home office functions under consideration for some time, with a view to obtaining prompter and more effective service in the handling of applications for insurance, the issuance of policies, etc., and in building up the volume and quality of its business.

In furtherance of this program, Vice-president J. W. Jones is assuming new duties to enable him to give personal supervision to all home office activities that have a direct bearing on new business and its disposition. He also becomes chairman of the underwriting committee. As so many other duties growing out of the functions of the new business and medical departments will devolve on him, Mr. Jones will not be able to give much personal attention to the agency department matters.

Mr. Young is being brought back to the company for agency development work. He will be supported by the active cooperation of Assistant Treasurer James Abels. Mr. Young, Mr. Jones and James Abels will constitute the agency committee. Practically all of his duties will be in the line of direction of the field organization in production of new business. He will spend considerable time in the field building up agencies and otherwise preparing for the improved general business conditions.

Mr. Young received his early insurance training in the home office of the Franklin Life, being with it for 11 years prior to his election as an officer of the American Life Convention Sept. 1, 1932.

C. L. U. Course in Detroit

A C. L. U. course will be given in Detroit this fall as an extension course of the University of Michigan under the auspices of the Qualified Life Underwriters, which includes the Associated Life General Agents & Managers, Life Underwriters Association and Supervisors Association. It opens Oct. 1 and runs through to June 1.

Edwards Agents Qualify

Nine members of the R. S. Edwards Aetna Life general agency of Chicago qualified for the regional conference to be held in Chicago next week. They are F. S. Germond, Rudolph LeBoy, James Ledy, C. E. Clinton, Mrs. M. Caminsky, M. L. Deaton, and A. E. Hicks.

Messrs. Germond, LeBoy and Ledy have attended all of the Aetna Life's five annual conventions.

Fraternal Congress Names B. C. Marks New President

KAREL MADE VICE-PRESIDENT

T. H. Cannon Reelected Secretary-Treasurer—Plans for National Advertising Campaign Presented

MILWAUKEE, Sept. 7.—Bradley C. Marks, Fargo, N. D., president A. O. U. W. of North Dakota, was advanced from vice-president to president of the National Fraternal Congress of America at the closing session of its annual convention here. Judge J. C. Karel, Milwaukee, president Equitable Reserve Association of Neenah, Wis., was named vice-president.

Members of the executive committee elected are Mrs. Mary La Rocca, Omaha, president Woodmen Circle and retiring president of the congress; Mrs. Anna R. Downs, Chicago, president Women's Catholic Order of Foresters; H. C. Smale, Chicago, president National Union Assurance Society of Toledo; W. F. Traub, Chicago, president Royal League; P. F. Gilroy, president of the Woodmen of the World of Denver, and De E. Bradshaw, president Woodmen of the World of Omaha.

Cannon Reelected Secretary

At a meeting of the officers and executive committee in Chicago on Saturday T. H. Cannon, Chicago, Catholic Order of Foresters, was reelected secretary-treasurer; Miss Frances R. Leahy, Chicago, executive secretary, and Mrs. Elizabeth M. Meehan, Milwaukee, chairman of the publicity committee.

Only one resolution was presented by the resolutions committee and passed by the Fraternal Congress, placing it on record as supporting the provisions of the National Recovery Act.

Expressing the belief that now is the time to begin a national cooperative advertising campaign, John C. Snyder, president Ben Hur Life Association, Crawfordsville, Ind., reported for the special committee on advertising at the congress. Mr. Snyder said there never was a more opportune time to present the claims of fraternal insurance to the American public. The committee has had this question under consideration for some time and was ready to proceed in April but delayed action then because of general business conditions being further affected by the banking holiday. Since conditions have now greatly improved and with the societies having plans and ambitions to reach up, Mr. Snyder was of the opinion that action should now be taken.

Advertising Plans Explained

C. J. Pettinger of Pettinger-La Grange, Indianapolis advertising agency which was selected by the committee to direct the advertising plans, explained that the cooperative advertising would be done outside of the congress by solicitation of funds to finance it from the individual fraternals.

The general advertising plan provides for an expenditure of \$1,000,000 over four years in newspaper, magazine and other forms of advertising. Several other speakers at the congress voiced their approval of the cooperative advertising plan.

Pointing out some of the factors that make for advancement and some of the things to be avoided by fraternals, F. A. Draper, Philadelphia, actuary Pure Protection Life, spoke on "Dos and Don'ts."

In speaking of juvenile insurance, he said the amount of benefits which may be granted to juveniles are in many states far too low. He also said the valuation basis for that business is greatly out of line with present day mortality experience. He suggested some possible forms of low-cost term benefit, convertible to a permanent form,

Financial Section Arranges Program For Annual Meet

C. S. Macdonald, president Confederation Life, as chairman of the Financial Section of the American Life Convention, has announced the program for the annual meeting in Chicago Oct. 10. The program is a comprehensive symposium of timely financial subjects from a life insurance viewpoint, there being four major divisions—federal investment developments, state and municipal taxes, municipal bonds and mortgage loan agent problems.

Fred Klawon, president Federal Land Bank, St. Paul, will speak on "Farm Credit Administration" (a) federal farm loans; (b) loans to farmers by farm loan commissioner.

Charles B. Robbins, president Cedar Rapids Life, will discuss the "History and Activities of the Federal Home Loan Bank." Col. Robbins, a former president of the American Life Convention, is chairman of the executive committee of the Home Loan Bank of Des Moines, which has jurisdiction over several midwestern states.

"The Home Owners Loan Corporation" will be discussed by R. T. Stuart, president Mid-Continent Life.

"Moratoria and Tax Relief" by E. B. Raub, Jr., associate counsel Lafayette Life, will be the final talk on the morning program.

At the afternoon session "Municipal Bankruptcy—The Wilcox Bill," will be discussed by Sol Esarey, general counsel United Mutual Life; "Bondholders' Committees," by S. W. Souers, vice-president Missouri State Life; "Municipal and Corporate Finance," A. E. Pequegnat, assistant general manager Mutual Life of Canada.

J. E. McPherson, treasurer Business Men's Assurance, will conclude the formal program with a talk on "Contracts With Mortgage Loan Agents."

A general discussion of various life insurance financial problems will follow. This open forum has always been a distinct feature of the Financial Section's meetings.

Kansas Life Companies Can't Invest in Home Loan Bonds

TOPEKA, KAN., Sept. 7.—Kansas life companies can not invest in the bonds of the Federal Home Owners Corporation as a part of their reserves according to the ruling of Roland Boynton, attorney-general. The interest on the bonds of the corporation, which was created by congress to aid home owners, is guaranteed by the federal government. The attorney-general pointed out that the Kansas statutes permit life companies to invest in government bonds, but that the bonds of the Federal Home Owners Corporation are not strictly government bonds since the government does not issue them but only guarantees the payment of the interest.

Many Kansas life companies own home mortgages which are in default and in process of foreclosure. The equity owners are seeking to have their mortgages changed so they could refinance the mortgages at the lower interest rates and have the corporation take over the mortgages instead of the life companies.

the need for which he said has been shown by the depression, and also outlined some plans for keeping benefits in force. He emphasized the need for greater care in investments. He warned against trying to write group insurance and non-medical business, which he said result in red ink columns that have to be balanced by earnings from other business.

Top and \$200,000 Clubs in Session

Leading Agents of New York Life Gather in Chicago This Week

FIVE OFFICIALS ATTEND

Vice-President Lindsay in Charge of Sessions—Banker and Director Tells of Finances

The 300 members of the Top Club and \$200,000 Club of the New York Life held their annual convention in Chicago this week, the Top Club holding a separate session Monday and then meeting jointly with the \$200,000 Club agents Wednesday and Thursday.

L. Seton Lindsay, vice-president, was in charge of all the sessions. Other officials from the home office in attendance were C. H. Langmuir, second vice-president; Griffin M. Lovelace, second vice-president; Arthur Hunter, vice-president and actuary; R. E. Dedell, field secretary.

Banker Tells of Finances

Investments of the New York Life are in splendid shape, President P. S. Johnson of the Chemical National Bank & Trust Co., New York City, a director of the company, told the agents. These investments were made for a long pull. In spite of this fact, the company's liquidity is an outstanding feature. He made the point that the income is continuously greater than the outgo, a feature which makes life insurance one of the strongest financial arrangements.

Vice-President Lindsay gave a graphic illustration of the great achievement of life insurance in the depression period. He said the New York Life in 80 years of its existence previously paid out approximately \$1,000,000,000 of dividends, but in the last three years it has paid out more than \$1,000,000,000 in various payments to policyholders and beneficiaries. This, he emphasized, is an amount one-half the company's total assets which now are just over \$2,000,000.

Install Top Club President

Mr. Lindsay introduced the retiring president of the Top Club, Abraham Seff of the Knickerbocker agency, New York City, and the new president, Sidney S. Landau of the Manhattan branch, New York City, who led the field for the 1933 club year with \$951,338 paid for. Mr. Landau went with the New York Life in 1914, became a member of the \$200,000 Club the next year, qualifying for it every year thereafter through 1926, when the Top Club was organized. Since that time he had never failed to place in the Top Club. Mr. Landau was installed in his new office.

A. L. Farmer of the Oklahoma branch, Tulsa, chairman advisory board of directors of the Top Club, gave a talk and Dr. C. H. Webster of the Binghamton branch, Ithaca, N. Y. Another speaker was Mr. Dedell, who was in charge of transportation arrangements for the convention.

Officers of Top Club

The five vice-presidents at large of the Top Club this year are Joel Herschman, Reading, Pa., branch, whose 1933 record was \$719,000 paid for; G. E. Greenbaum, Knickerbocker branch, New York City, \$690,500; H. G. Meyer, La Salle street branch, Chicago, \$554,135; C. F. McClendon, Shreveport, La.,

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Foster Urges Uniformity in Legislation and Procedure

SEES VALUE IN CONFERENCE

Ontario Insurance Superintendent Suggests Insurance Section for Canadian Bar Association

R. L. Foster of Toronto, insurance superintendent of Ontario, spoke before the annual meeting of the Canadian Bar Association in Ottawa this week, explaining the uniform automobile insurance statutes which have been passed in most of the provinces. He made a plea for uniformity in legislation and procedure. In the moving drama of insurance laws must be kept abreast of the times. He said that the superintendents of insurance in Canada constitute the only group of government officials who meet in annual conference for the primary purpose of promoting uniformity in provincial legislation and regulation. He said that he firmly believes that uniformity in statutes which involve many administrative features and require almost annual amendment to reflect current public opinion can never be successfully promoted and maintained unless through the media of annual conferences of responsible administrative officials meeting regularly on the instruction and with the authority of their respective governments.

He suggested the organization of an insurance section within the Canadian Bar Association. The American Bar Association has taken similar action and the insurance section held its first meeting last week. He said that the Canadian Bar Association through its insurance section could make a substantial and continuing contribution to the development of insurance legislation in future years.

Court Holds Clark Legally Elected, Is Awarded Salary

DES MOINES, Sept. 7.—Commissioner E. W. Clark won his fight for collection of his salary when Judge Herrick in district court here held he was holding office legally. A peremptory writ of mandamus was issued to C. B. Murtagh, state comptroller, ordering payment of the commissioner's August salary, which Murtagh had held up on the advice of the Iowa attorney general that Mr. Clark held office illegally because as state senator he voted for a raise in salary of the office to which he was appointed by the governor in 1931. Mr. Clark was appointed in January of that year and the senate confirmed the appointment immediately. A salary raise from \$4,000 to \$4,500 was voted in the appropriation bill in April following.

The decision held that in the absence of statutes requiring issuance of commission to an appointee to a state office the final act of appointment is when he is nominated and confirmed by the senate. The comptroller claimed the act of appointment was concluded when his commission, actually issued in June following, was signed by the governor. The statutes and constitutional of Iowa fail to require any certificate whatever. The comptroller may appeal to the supreme court. Clark is a Republican, while the majority of the state officials including Murtagh are Democrats.

Harpell Is Released

J. J. Harpell, serving a jail term for libelous attacks on the Sun Life of Canada and its president, T. B. Macaulay, has been released from custody on ticket-on-leave. He has served about seven weeks of a three months sentence, and has posted \$2,000 bond to keep the peace for one year.

Missouri State Deal Is Debated

Opposition Voiced in Court to Quick Trade with Milton, Head

OPPONENTS ARE HEARD

J. B. Reynolds and Arthur Coburn Endorse Proposal of the General American Life

Superintendent O'Malley of Missouri submitted to Circuit Judge Hamilton the proposal of the General American Life to take over the assets and insurance of the Missouri State Life.

The court decided to hear testimony regarding the contract after J. A. Aylward, attorney for the Missouri department, said because of a question of whether the superintendent could proceed with a sale immediately or should advertise for bids over a period of two weeks he desired the advice of the court. Under one section of the law there is a provision for an immediate sale if the assets are less than 75 percent of the liabilities.

A new report filed by O'Malley, which brought the convention examination as of June 30, up to Aug. 28, showed the company had liabilities of \$144,961,746 and assets of \$115,961,745, making the deficit \$29,000,000 compared with \$27,719,071 as estimated in the examiners' report. The assets are based upon present day market values.

Delay Is Requested

At the opening of the hearing, Lon O. Hocker, attorney for the Lincoln National Life, asked for delay, contending the superintendent should advertise for bids while Joseph Goodman, an attorney and owner of policies in the Missouri State, filed an intervening petition on behalf of himself and other policyholders, also seeking delay and advocating mutualization.

Aylward and E. A. Forestel, attorney for the General American, urged speedy action on the grounds that delay would cost upwards of \$500,000 a week, and that if the court waited two weeks no one will want to bid and it will then be necessary to proceed to liquidation.

He said the General American's plan was the only definite and substantial proposition that had been submitted.

Reynolds, Coburn Heard

J. B. Reynolds, president Kansas City Life, as an expert witness, testified the contract was fair and equitable, actuarially sound and that he would not hesitate to recommend its acceptance by the court. Arthur Coburn, vice-president North American Reassurance, discussed the contract point by point and expressed the opinion it was fair to policyholders. He said it made provision to carry out the primary purpose of the old policies, protection to family, and that the 50 percent lien on policy loans and cash surrenders would probably be worked out in 15 years. Sidney Souers, vice-president Missouri State, said he was familiar with its assets and that the chargeoffs were approximately correct.

J. A. Simpson, attorney representing holders of 30,000 shares of Missouri State, urged delay.

Purchase Agreement

Under the purchase agreement between O'Malley and the General American the new company agrees to purchase all assets of the Missouri State. Upon delivery the new company agrees (CONTINUED ON LAST PAGE)

"Unafraid"

Chicago will be the place, the meeting will be the National Association's forty-fourth annual, and the period will be September 27-29. Eminent Executives, eminent Fieldmen, two eminent Superintendents of Insurance, an eminent life insurance author are listed in the program, together with highly reputed speakers, not in our business.

Convention theme: "Face the Future Unafraid, through Life Insurance—the Stability and Security of the Nation."

Last year a good many who attended the Convention needed to have their spirits propped up by the speakers and by the composite courage of the gathering. This year a large portion of the weight of doubt and apprehension has gone. Life insurance is fast picking up an expanding number of new and old patrons. And so the atmosphere of the Convention will be buoyant, wholly accordant with the topic of the closing speech of the last day—"Tomorrow, Fair—A Forecast."

THE PENN MUTUAL LIFE INSURANCE CO.

WM. A. LAW, President

Independence Square

Philadelphia

The Fruit of Many Years of CONTINUOUS CAPABLE MANAGEMENT

President Arnold Lauds Financial Position of NWNL

CHICAGO, August 22.—An encouraging picture of the future, both for the life insurance business as a whole and for NWNL, was painted by President O. J. Arnold at the opening session of NWNL's agency convention here today in an address in which he also reviewed briefly the performance of life insurance in general and NWNL in particular during the final phases of the depression.

Exemplifying the Company's strong financial position, Mr. Arnold said, is the fact that if every policyholder had demanded the maximum cash loan values of his policy on December 31st last, the Company's cash and bonds alone, sold at their market value as of that date, would have come within \$391,531 of meeting these demands. In addition to these bonds, the Company had other assets valued in excess of \$18,000,000, not including \$10,000,000 in policy loans.

"The exceptional financial position of the Company is not the result of chance," said Mr. Arnold, "but is due to many years of continuous capable management. NWNL is unique in having a Board of Directors composed of leaders in the business world, each independent of the other, directing the Company's affairs solely in the interests of its policyholders."

Mr. Arnold also brought out that the Company has sold no assets to realize cash; it has borrowed no money from the R. F. C. or elsewhere; it has met unprecedented demands from its normal, regular sources of income; it has not in any respect availed itself of the average values allowed by the National Convention of Insurance Commissioners; it has continued to improve its liquid position, the percentage of its cash and United States Government Bonds having been increased from 10.9 per cent as of December 31st last to 13.6 per cent as of June 30th.



**NORTHWESTERN NATIONAL
LIFE INSURANCE COMPANY**
G. J. ARNOLD, PRESIDENT
STRONG - Minneapolis, Minn. - LIBERAL



Program Completed for Supervisors' Gathering

The program is complete for the gathering of agency supervisors Sept. 28 at the Stevens Hotel in Chicago during the annual convention of the National Association of Life Underwriters. Several speakers will talk on the subject "Sales Ideas."

Samuel Leland, Jr., president Chicago club, and life department manager of Fred S. James & Co., will welcome the visitors. The Chicago club sent letters of inquiry to 85 life underwriters associations for names of supervisors interested in attending and received a list of 500, to whom direct invitations were extended this week.

May Be Annual Event

It has not been decided whether to perfect a formal national organization or to seek inclusion of the supervisors' activities in the annual program of the National association. It is hoped a full day may be devoted to supervisors in subsequent years. R. B. Hull, managing director National association has been invited to attend this year and has accepted subject to press of duties at the National convention making this impossible.

Maxwell Stevenson, supervisor Berkshire Life, Pittsburgh, will lead off at the supervisors meeting, which is scheduled to start at 11:15 a. m., in the tower ballroom of the Stevens. Others who will speak are Russell Moore, agency supervisor, Midland Mutual, Columbus, O.; Z. C. Yates, supervisor Union Central, Chicago, and A. S. Holman, second vice-president National association and manager Travelers, San Francisco. The session will adjourn for lunch and then continue until 2 p. m.

Stimulus to Activities

Membership of the Chicago club has increased ten due to the stimulus of the forthcoming supervisors meeting. Harry Walters, Penn Mutual, is chairman of publicity and E. E. Enoch, Connecticut General, chairman of arrangements.

Mr. Leland hopes to encourage the formation of a large number of supervisors' clubs over the country through the national meeting. There are now less than a dozen in existence.

Insure for Scholarship Fund

The Lamar Life under a contract with the Mississippi State College is raising a scholarship fund through life insurance written for the alumni of that institution. A flat amount as a scholarship donation is added to the premium on any type of regular policy form. The campaign is being conducted by R. O. Hardy, Lamar Life district manager and alumnus of Mississippi State College, who is assisted by W. D. Chadwick, former athletic director of the college, and J. P. Broadstreet, both members of his agency.

Fraternal's President Dies

Former State Senator John J. Coyle, president of the Pennsylvania Mutual Life and of the American Catholic Union, one of the leading Catholic fraternals, died this week of bronchial pneumonia. He was 69. Two years after going to Philadelphia, he organized and became president of the American Catholic Union. The following year, he purchased all the stock and became president of the Pennsylvania Mutual Life.

R. D. Hall State Manager

Capt. R. D. Hall has been named to succeed Carlton Stevens as state manager of the Columbian Mutual Life in Jackson, Miss. Mr. Stevens resigned to go to Macon, Ga., as general agent of the Connecticut Mutual.

Coburn Gives Testimony in Missouri State Hearing

Arthur Coburn of New York, testifying Wednesday morning at resumption of the hearing before Circuit Judge Hamilton in St. Louis on the proposal of the General American Life for the Missouri State Life's assets and insurance expressed the opinion that under competent management the new company should make approximately \$1,000,000 profit during the 15 years the purchase agreement is to run, or annual return approximately 3 percent of the \$2,000,000 paid in capital.

Asked by counsel for opposing stockholders of the old company whether he attempted to determine the practicability of mutualization, he said it would not be practical. In theory it might with good management, but in view of the superintendent's report of \$29,000 deficit he said, no such assurance could be given.

He revealed that the first six months this year the Missouri State lost \$800,000 according to convention report. He regarded stockholders of the old company as being "all washed out."

He revealed that the three principal men behind the General American Life are David M. Milton, Ellroy Huntington and Sam Anderson, all of New York City. The \$2,000,000 capital was paid in Tuesday morning and is now on deposit in the First National Bank, St. Louis.

On cross-examination Mr. Coburn said that W. W. Head, president General American Life, made no promises whatsoever to any officer or director of the Missouri State regarding continuance with the new concern. An early ruling by the court is anticipated.

Former General Agent Censured

LANSING, MICH., Sept. 7.—The Michigan supreme court censures the conduct of E. R. Beers, a former general agent for the Penn Mutual Life, in relation to a suit he brought against the company to recover commissions alleged to be due on the conversion to ordinary life of a \$35,000 term policy written on the life of G. P. Wilson, Flint. In refusing to disturb the lower court decree for the defendant company, the supreme court said:

"Agency is primarily a relationship of trust and confidence. The agent represents the principal. Loyalty to the principal, the duty of full disclosure, is essential. The agent may not legally act for the principal where his interests are opposed to those of the principal. He cannot act in his own interest and is forbidden to act at all when his own interest is opposed to that of his principal."

Carried Over a Million

BETTENDORF, Iowa, Sept. 7.—The late J. W. Bettendorf, millionaire railway car manufacturer, who died here May 16, carried \$1,067,000 in life insurance, inventory of his estate filed in district court showed. Entire value of his estate was placed at about \$7,782,000.

Greer Issues Warning

MONTGOMERY, ALA., Sept. 7.—Superintendent C. C. Greer has issued a vigorous warning to the public to guard against the purchase of life insurance from unqualified assessment life insurance associations. The public is admonished not to waste its money on such types of insurance.

Central States Life's New Policy

The Central States Life of St. Louis has a new term policy with three-year renewable term, being renewable for four successive periods of three years each for ages 45 and below at issue. It is participating after three years and may be converted to a permanent plan within ten years. The outstanding feature is its low cost.

Some Highlights of Mutual Trust Life Agency Convention

At every Mutual Trust convention the high spot of the meeting is always provided by President Edwin A. Olson when he gives his annual talk to agents. His remarks this year were no disappointment to his listeners. He began by saying that last year the life insurance companies paid out four billions in claims, \$500,000,000 more than in 1931. He urged agents to familiarize themselves with the detailed record of the payments made by life insurance companies as recorded in the recently published Life Payments Localized issue of THE NATIONAL UNDERWRITER. It contains all that any agent needs, Mr. Olson said, in the way of life insurance arguments.

He asserted that there never has been a real moratorium on life insurance. Even during the nine days of the bank moratorium last March, the companies were paying out money steadily by telegram or by postal money order. Later, the payments made by companies were liberalized to include necessities, and Mr. Olson said that there are hundreds of millions of dollars of life insurance on the books that would not be there today had it not been for the moratorium. The almost negligible effect that the depression has had on life insurance is shown by the fact that at the end of 1932 all companies taken together had within 5 percent of the business in force that was on the books at the beginning of the year.

Improvement All Along Line

Looking toward the future, Mr. Olson sees improvement all along the line. He believes that people generally now understand that financial stability depends almost entirely upon the character of those at the head of American business. He believes that the day of the Insulls and the Kruegers is gone. The superman and super-company, he says, are extinct. Right now all signs point toward decidedly better times. The securities listed on the New York stock exchange are worth \$30,000,000 more than they were worth 90 days ago. The cotton farmers are going to receive \$110,000,000 between now and the late fall for plowing under cotton, while \$125,000,000 is going to be distributed to the wheat farmers. The hog producers and the hog processors are going to get \$55,000,000. When all of this money gets into circulation, life insurance men are going to feel the effect of it and it will mean for them an easier and a more general writing of business.

* * *

While it was called "A Century of Progress Convention," no time was allowed during the day for visits to the World's Fair. Business sessions were held throughout all the morning and afternoon each day of the convention. Some of the companies that have held conventions in Chicago this year have scheduled business sessions for the morning only, allowing each afternoon for sightseeing. The Mutual Trust Life conventioners who went to the World's Fair had to do so in the evening after the business meetings were over.

* * *

This was the first convention of the Old Faithful Club in two years. It was decided last year to hold conventions every two or three years, depending on conditions.

* * *

A number who did not qualify under the production rules paid their own expenses to attend the convention. Several from New England did so. They said that they did not want to miss the good fellowship and the inspiration that they always get at Old Faithful Club gatherings.

* * *

Ernest F. Smith attracted some attention at the convention. Mr. Smith is widely known in football circles. He played right tackle for the University of Southern California "Trojans" for the past three years. He was rated as All-

American right tackle by most of the sports writers because of his brilliant playing last season. He is a graduate of the college of business administration. Last week he participated in the heavily attended East-West football game at Soldier Field in Chicago. He is a brother of W. A. Smith, the Mutual Trust's general agent at Lewiston, Me., and during the summer he has been writing business for that general agency. This fall he will go to Los Angeles, where he has many friends and connections, and become a personal producer for the general agency there, of which Gilbert Knudtson is manager.

* * *

B. N. Woodson, agency secretary, said that the initials NRA mean "Nice Renewal Accounts" for the agent who will work 40 hours a week as stipulated in the blanket code.

* * *

G. B. Slattengren, son of Vice-president A. B. Slattengren, is the Chicago manager of the Seaboard Surety and has been for the past several years. He attended a number of convention sessions and many commented upon his striking likeness to his father.

* * *

At the banquet, service medals were presented to those who have been with the company for long periods of time. O. L. Hertsgaard, general agent at Minneapolis, received a 20-year service button, and there were four 15-year service

buttons presented, six 10-year and 14 five-year.

* * *

E. M. Warren, general agent at Providence, R. I., was the leader during the club year in the number of lives written. He wrote policies on 323 separate lives. The two next highest in point of lives written, each having over 200 to his credit, are both members of Mr. Warren's agency.

* * *

Wilbur C. Knudtson, son of the company's Los Angeles general agent, has been working in his father's office this summer. He is a law student but it is not as yet definitely determined whether he will eventually become an attorney or life insurance man. He was an interested attendant at all of the business sessions.

* * *

O. D. Olson, the company's vice-president and treasurer, said in discussing the Mutual Trust investments that the company makes no loans on collateral and owns no stocks.

* * *

Meyer Greenburg, an agent at Hartford, suggested that during September each member of the Old Faithful Club secure 11 applications, each application representing one letter in the name Mutual Trust, or one letter in the name Edwin A. Olson. His suggestion was enthusiastically adopted.

Top and \$200,000 Clubs in Session

(CONTINUED FROM PAGE 3)

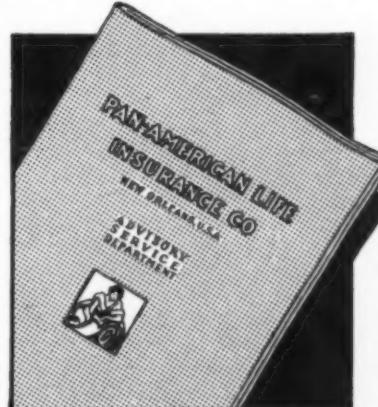
branch, \$454,754, and Dr. Webster, who paid for \$440,750.

Fifteen department vice-presidents are: Jacob Herskowitz, Madison Square branch, New York, \$520,604; Jack Mansfield, Bankers building branch, Chicago, \$528,750; L. U. Weaver, Philadelphia clearing house branch, \$419,064; Max Strausberg, San Diego branch, \$400,626; Samuel Levine, Poughkeepsie, N. Y., branch, \$380,989; R. F. Walker, New Orleans branch, \$369,642; J. G. Pollak, Wisconsin branch, Milwaukee, \$336,333; H. J. Talman, Worcester, Mass., branch, \$328,500; Ben Sekt, Sioux City, Ia., branch, \$323,500; Clyde Powell, Seattle branch, \$317,915; N. R. Cornsweet, Euclid branch, Cleveland, \$306,450; H. W. Hughes, Kansas City, Mo., branch, \$285,673; Richard Douglas, Nashville branch, \$276,000; J. A. Jones, Atlanta branch, \$205,456, and Benjamin Hirschfeld, Pittsburgh branch, \$202,533.

N. C. Scott of the Missouri clearing house branch, St. Louis, is chairman of the \$200,000 Club this year and M. E.

THE "HARD ONES" WANT ALL THE FACTS

PAN-AMERICAN'S SALES PROPOSAL SERVICE PRESENTS THEM IN A CONVINCING MANNER



Every Life Underwriter has encountered that type of prospect who refuses to sign until the sales proposition is submitted in "black and white" and who insists on full written details. "Put it in writing" is often a difficult assignment when the Underwriter doesn't have the facilities to so present his entire case. The Pan-American has recognized this obstacle and offers its Fieldmen comprehensive sales proposals, laying the premise for the sale, outlining the policy or policies recommended and presenting supporting arguments.

Pan-American policy illustration cards and oth-

er printed sales aids, used in support of the sales talk, have proved adequate for the average sale, but when the prospect asks for additional

written arguments or if the Fieldman anticipates their need, he may secure a complete "made to order" proposal from his Home Office.

These special sales proposals are not confined to any single type of insurance. They function with equal effectiveness in connection with Annuities, Salary Deposit, Wholesale and Group, all of which are written by this company along with a complete line of standard life contracts.

For other agency information address:

TED M. SIMMONS, Manager United States Agencies

**PAN-AMERICAN LIFE INSURANCE CO.
NEW ORLEANS, U.S.A.**

CRAWFORD H. ELLIS, President

EDWARD G. SIMMONS, Vice Pres. & Gen. Mgr.

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The First Company of the First City of the First State

Select Risks
Deserve
Preferred Class Policies

The Continental American in its constant and unremitting effort to increase the purchasing power of the life insurance dollar provides for the "select risk group" a much larger amount of life insurance than is usually obtainable for the same premium. The story of "how" is worth knowing, as well as many other factors which contribute to the distinctive position of the Company.

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Newark, N. J.:
17 Academy Street

**Continental American
Life Insurance Company
Wilmington, Delaware**

GROWING UP FAST

America is growing up fast, says the statistician. More old people, fewer children, is the outlook. Increasingly, therefore, Fidelity's Income for Life plan will prove attractive. Increasingly, will there be a demand for its guaranteed life income.

Fidelity Originated This Plan

The first "Income for Life" policy was written December 24, 1902, and each year since there has been a wider acceptance of its unique provisions. In addition, Fidelity provides a variety of policy forms to fit modern needs: Low Rate Life, Family Income, Disability-income and waiver of premium, accidental death benefits.

Send for booklet

"The Company Back of the Contract"

**The FIDELITY MUTUAL LIFE
INSURANCE COMPANY
PHILADELPHIA**
WALTER LEMAR TALBOT, President

Hitchcock of the Golden Gate branch, San Francisco, is vice-chairman.

Vice-President Hunter addressed the agents Wednesday, Second Vice-President Lovelace gave an instructive and inspirational talk and Second Vice-President Langmuir spoke on "New Organization."

Tuesday was given over entirely to attending the Century of Progress exposition and sight seeing. Wednesday morning also was open, the joint meeting starting in the afternoon and being continued Thursday morning. The convention continued through Friday.

There are 12 women members of the Top Club this year: Mrs. Gertrude

Brandwein, Madison Square branch, New York City; Estelle M. Scribner, Knickerbocker branch; Miss Getta R. Wasserman, Portland, Oregon; Mrs. M. H. W. Bennett, Bankers building branch, Chicago; Mrs. Zara B. Rosen and Miss Sarah C. Wells, Vanderbilt avenue branch, New York City; Mrs. Ellen C. Paine, Portland, Maine; Mrs. L. B. Patrick, Broad street branch, Philadelphia; Mrs. Lucille H. DeVore, Memphis; Mrs. Alexander McColl, Pueblo; Miss Agnes C. Schuette, Dearborn branch, Chicago, and Mrs. Lucile S. Aldrich, St. Joseph, Mo.

There are 28 Senior Nylics in the 1933 Top Club.

OBSERVATIONS ON LIFE INSURANCE

BY E. JAY WOHLGEMUTH

Canada, economically and insurance-wise, is not greatly different from the United States at the present time. The same conditions and set-up in general prevail. In life insurance, all but three companies showed a decrease of insurance in force at the close of 1932 and it would not be surprising if as regards that item the business by the close of 1933 would be back to about the 1929 level. Much cheap insurance is being written to tide buyers over the depression period. One company has made a hit with a new policy which provides an annual term rate for the first 10 years which goes a step further than the level premium term rate for the first period. The argument on this plan is rather ingenious: "You need insurance protection in a period of depression more than in ordinary times, but you haven't the money to buy as much as you should have. Take this policy at the one year term rate. Next year the times will be a little better and you can then afford to pay a little more, or the second year term rate, and so on. By the time the annual renewable term period is over, you will be able to pay the regular ordinary life rate."

* * *

Canadian companies are more aggressive in the United States than United States companies in Canada. Had not the depression occurred a whole flock of Canadian companies would probably have entered the United States or extended their operations here. The Canadian companies already operating in the states have on the whole been well satisfied with their operations here. Canada is basically an agricultural country and there is not the field of opportunity in manufacturing and other business there is in the states; life insurance is an attractive field capable of unlimited expansion as shown by the most noted example, the Sun Life. Canadians are almost as internationally minded as the English themselves and as members

of the British empire they are trained to look far afield. The larger Canadian companies are already established more or less throughout the British possessions and the smaller ones are inclined to follow the lead as soon as they are able to do so. Geographically an immense country, Canada's population is less than that of New York City and its environs; the United States offers an appealing field to the aggressive company.

* * *

While all but two of the life companies of Canada have capital stocks they do not as a rule take all the stock profits to which they are entitled by law. There is a keen interest in life insurance on the part of the public in Canada and also probably a stronger criticism of abnormal profits as well as a closer supervision of life insurance promotions and manipulations, so that while commissions in some cases are said to be very high the companies as a whole, even the smallest, appear to have responsible managements and men of good quality and standing are usually to be found actively interested in their managements.

In the matter of participating and non-participating business, with very few exceptions, both written by the stock companies, there has been a strong trend to the participating in the past, even though many dividends are paid only every five years; however, with dividend reductions that have been coming through, agents are suggesting, where additional insurance is being taken, that a "guaranteed dividend" can be secured by taking a stock policy.

The Mutual Life of Waterloo, the old-time participating company of Canada, withheld about one and three quarters millions from its dividends of upwards of five millions this year, as a contingency reserve against possible losses due to the depression, and as a precautionary safeguard.



Made President

BRADLEY C. MARKS
Fargo, N. D.

B. C. Marks, grand master workman of the Ancient Order of United Workmen, North Dakota, was elected president of the National Fraternal Congress at its annual meeting in Milwaukee this week. He is a native of Trego county, Kan., having been born in Wakeeney, March 25, 1883. He attended high school at Springfield, Mo., later took the civil service examination and was assigned to Bismarck, N. D., in the U. S. weather bureau. Later he became credit manager for a large department store in that city. Afterwards he became assistant cashier of the City National Bank of Bismarck and later vice-president. Mr. Marks' father took a lively interest in fraternal societies and among others was a member of the A. O. U. W. of Kansas. Bradley C. on going to North Dakota took an active part in the work of this order and was appointed on the finance committee in 1909 which he held until 1913 when he was elected grand foreman. In 1915 he became grand master workman. In 1919 he moved to Fargo in order to give his entire time to the upbuilding of the order. At this time the A. O. U. W. was only actively operating in North Dakota and Montana with a membership between 8,000 and 10,000 policyholders. Under his guidance it has made great progress and is now covering 19 states with about \$60,000,000 insurance in force.

Superintendents in Canada Hold Meet

(CONTINUED FROM PAGE 2)

establishing a national viewpoint among the commissioners, he said. As examples, he cited the action of the commissioners on the life insurance moratorium, the resolution setting up the writing powers of marine and casualty companies, the work of the interim committee on workmen's compensation insurance, the action of the convention in agreeing on valuation formulae.

Some Defects in Supervision

One of the most noticeable defects in the insurance supervisory system in the United States, he said, is the lack of any plan under which information as to the status of companies, records of agents, issuance of new forms and contracts, writing in one state of group or fictitious fleets, the members of which reside in many states, and similar items can be continuously exchanged between departments. The suggestion has been made, he said, that the secretary of the convention be made a full time officer with the right to sit in on all examina-

tions, to make independent preliminary investigations and to assemble and disseminate information.

Mr. Brown said the Canadians have an advantage over the United States in that the provincial superintendents serve an average of 10 years as against an average of possibly two or three years in the United States. During the five years he has been commissioner of Minnesota, he said, new commissioners have been elected or appointed in more than 40 jurisdictions in the United States.

Sullivan Cleaning House

SEATTLE, Sept. 7.—Commissioner Sullivan reports that 12 fire, six life and 16 casualty and auto insurance companies have been excluded or withdrawn from Washington in the past eight months. His intention is to sweep from the state all unreliable companies. He has been handicapped by the small appropriation for his department. He has requested a corps of examiners to check the books of weak companies.

Joint Educational Conference

The W. E. Hewitt Equitable Life of New York agency in Boston and the F. C. Rozelle Equitable Maine and New Hampshire agency will hold a joint educational conference at Jackson, N. H.

Advertisers Program Given

The final program is announced for the Life Advertising Association at the Edgewater Beach, Chicago, Sept. 25-27. There will be an exhibition of sales material, advertising and the like. The program is as follows:

Sept. 25—Morning

My Men Need Your Service—E. S. Albritton, Chicago general agent Provident Mutual.

Advertising to Recruit Agents, B. N. Mills, secretary Bankers Life, Iowa. Your Job As I See It, C. M. Cartwright, The National Underwriter. Keeping It Sold, Karl Ljung, Jr., Jefferson Standard Life.

Afternoon

Review Advertising Exhibits. Matters of General Business.

Sept. 26—Morning

Award of Trophies, J. A. Young, Monarch Life.

Sept. 13-16. Visiting speakers will be A. B. Dalager, Equitable agency manager at Wilmington, Del.; H. A. Wedge, district manager at Burlington, Vt., and Daniel Mason, instructor from the home office.

Sales Promotion Letters, L. J. Evans, Register Life.

Our New Sales Promotion Plan, James M. Blake, Massachusetts Mutual. Contests, Lewis Hendershot, Berkshire Life.

Skit—"How It Works," Bart Leiper and cast.

Afternoon

Advertising in Trade Papers, John W. Murphy, Pan-American Life. Broadcasting Protection, C. S. Smith, National Life & Accident.

What Is New? Round Table: House Organs, Stewart Anderson; Conservation, Miss Chlo Peterson; Sales Promotion Letters, T. M. Rodium; Industrial Insurance, Emmett Russell, Jr.; Health and Accident, J. A. Young.

Sept. 27—Morning

Premium Notice Enclosures, D. Bobb Slattery, Penn Mutual.

Policyholder Publications, C. Sumner Davis, Provident Mutual.

Advertising to Educate, T. J. Hammer, Protective Life.

Necessity and Value of Advertising Life Insurance, C. T. Steven, Phoenix Mutual.

Our Printed Salesmanship, Trophy Winners—ten minutes each.



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make SALES PROBLEMS as easy as

simple multiplication

if coupled with a willingness

to pay the price of success

in consistent hard work

THE MINNESOTA MUTUAL LIFE INSURANCE CO.

Saint Paul, Minnesota

THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION, PUBLISHED EVERY FRIDAY

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 Combination with The National Underwriter Fire and Casualty, \$5.50 a year; Canada, \$10.50.
 Entered as Second-class Matter June 9, 1900, at Post Office at Chicago, Ill., Under Act,
 March 8, 1879.



Importance of Diversification

SECRETARY S. A. OSCAR of the NATIONAL MUTUAL BENEFIT of Madison, Wis., in his talk before the NATIONAL FRATERNAL CONGRESS annual meeting, gave some excellent advice to executives in the way of arranging an investment portfolio program along the line of security. Mr. OSCAR, who was primarily dealing with the funds of fraternal, made an analysis of the old line portfolios also. He did not hesitate to criticize investments of fraternals, showing among other things that they had gone too strong on bonds.

The thing that Mr. OSCAR emphasized throughout his entire paper was the need for proper diversification. This after all is the secret of success in life insurance investments. This means diversity as to classes of investments allowed by law and also diversity in these classes themselves. Many companies have found themselves in trouble by sticking too closely to one class of investment. When a catastrophe comes it literally prostrates an industry and the underlying securities of that special class depreciate tremendously. Then in addition to diversification as to class, there is always danger of running to one particular line in that class. For instance, Mr. OSCAR in analyzing the fraternal accounts shows that too high a percentage of the bonds owned

by fraternals are state, county and municipal.

Then we can use our diversification program still farther. A company should not buy too large a block of securities of one enterprise, one railroad, one municipality, one county, one city, and so on. When there is wide diversification there may be one class in bad shape but in that class there are securities that are not so greatly affected.

A few years ago the subject of investments was a very dry one because there were so few defaults of any kind. Insurance papers found but little news in the investment side of life insurance. All securities purchased that were allowed under the law paid their interest and there were very few that were confronted with difficulties. The loss in interest was almost negligible and the loss in capital was almost unheard of. Now companies are confronted not only with great loss in interest but also in capital. Never before has the investment end of life insurance loomed so prominently as an absorbing topic at home offices.

Mr. OSCAR has contributed a valuable paper to the literature of life insurance investments and one that is worthy of study.

Group Plan of Operation Fails

ROGERS CALDWELL, the investment banker of Nashville, whose enterprises went to the wall, conceived the idea of the so-called group affiliation plan in life insurance operations similar to that which has been successful in the fire and casualty field. In the latter domain companion companies have been added to the parent until in some cases there may be six or more under one management. This has served to reduce operating cost, unify underwriting methods, standardize plans, consolidate work, etc. Mr. CALDWELL seemed convinced that this method could be introduced into life insurance with practically the same effect. He started a group with a holding company as the interlocking instrument. While he did not have an opportunity to carry the

plan to fruition, life insurance executives are convinced that life insurance groups, so far as company operations are concerned, present a different problem than fire and casualty. The successful life insurance companies have been single track companies so far as their own line of business is concerned. That is, the fleet idea is impractical. A life company may be part of a group of fire and casualty companies operating under the same management. In such a case it is the only life company. Where a group of life companies is attempting to carry on executives feel very certain that only grief is ahead.

Grubbing gets you farther than grumbling.

PERSONAL SIDE OF BUSINESS

Sterling Cockrill, Travelers field assistant at Little Rock, suffered a scalp wound and three broken ribs when his car left the highway a few miles from Metropolis, Ill. Mr. Cockrill was en route from Little Rock to Ludington, Mich., where his family is spending the summer.

George Brannan, who represents the New York Life in Little Rock, is on the program for the annual meeting of the National Association of Life Underwriters in Chicago. He joined the New York Life as a special agent in Little Rock in 1926, after having been connected with the International Shoe Company 17 years. He was president of the Little Rock Life Underwriters Association in 1932 and is the immediate past president of the Arkansas State Life Underwriters Association and is the present national committeeman from the Little Rock association.

John Nelson, supervisor of public relations of the Sun Life of Montreal, who is president of the Rotary International, left for Lausanne, where the second European regional conference is being held. He was elected to the world chairmanship of the Rotary. After the Lausanne meeting Mr. Nelson plans to confer with boards and officers of Rotary in England.

Mrs. Victoria E. Warner, wife of C. T. Warner, Ohio superintendent of insurance, died at her home in Columbus after a long illness of paralysis. She was active in music circles in Columbus. Many insurance men attended the funeral Saturday afternoon.

Garner Curran, former life insurance man on the Pacific Coast, who for some years has been a well known lecturer on Oriental subjects, is giving a series of Oriental travelogues every afternoon in the Hall of Science at A Century of Progress exposition in Chicago. His talks are under the auspices of the Japanese Tourist Bureau and have to do with conditions in Manchuria. Mr. Curran formerly was an agent of the Mutual Life of New York in San Francisco, then supervisor of agents in the Pacific Mutual's accident and health department. He founded the "Western Insurance News" of Los Angeles and published it for ten years.

O. H. Beyer, well known in casualty insurance circles, formerly with the Phoenix Indemnity in New York, Chicago and San Francisco, and later vice-president of the General Casualty of Seattle, has joined the San Francisco agency of the Connecticut General Life.

Inasmuch as the Volunteer State Life of Chattanooga is eliminating its sales promotion and conservation department, it leaves Assistant Agency Manager S. M. Gamble temporarily without a connection. He is one of the spirited and well informed agency men. He has been very active in the Insurance Advertising Conference, especially in the southern section and notably the new Life Insurance Advertisers Conference that will meet in Chicago the last week of the month.

T. M. Riehle, choice of the advisory nominating committee for the National Association of Life Underwriters presidential nominee, was welcomed on his return from Europe last week at a luncheon given for him in New York by G. A. Eubank, manager life department Johnson & Higgins, active in Mr. Riehle's support. W. M. Duff, president E. A. Woods agency, Equitable of New York in Pittsburgh, was the other guest of honor. Mr. Eubank said he believed the nominating committee

would follow the slate recommended by the advisory committee but urged all present to write to friends soliciting support for Mr. Riehle and others on the ticket. He stated Mr. Riehle's backers had no intention of withdrawing for any possible "dark horse" but "Mr. Riehle will be a candidate until the election is over."

Mr. Duff called attention to a resolution passed by the national convention last year which stated that the advisory nominating committee should not be influenced in its choices by any implication that officers should move up in any order or succession and that no such obligation should be assumed by nominating committees, or the officers or membership as a whole. A. Van Goldmann, manager Prudential in Chicago and chairman registration committee for the national convention, extended greetings of the Chicago association. A resolution was adopted at the suggestion of Mr. Eubank on the recent death of Donald Sinclair, one of Mr. Riehle's most active supporters.

A. J. Johannsen, assistant to the general agent in the Hobart & Oates agency of the Northwestern Mutual in Chicago, secretary of the Chicago chapter of C. L. U. and lecturer on life insurance in Northwestern University, was elected national president of the Theta Xi fraternity at its convention in Chicago. This is one of the oldest large national fraternities in the country.

A. M. Embry, manager of the Kansas City agency of the Equitable of New York, and G. J. Woodward, unit manager of the Equitable at Wichita, Kan., are this week attending the meetings of the Homer Rogers agency of the Equitable in Indianapolis and the E. L. Carson agency in Milwaukee.

E. R. A. Misemer, general agent Occidental Life at Los Angeles, died last week. Mr. Misemer went to Los Angeles from St. Louis in 1911 as western representative of the Missouri State Life. He had been with the Occidental Life since 1913.

William Von Garlem, assistant-at-large in Jersey City for the John Hancock Mutual, has just rounded out 32 years of continuous service with the company.

Leslie B. Lampton, Mississippi general agent for the Missouri State Life since 1916, is critically ill on the Mississippi coast.

Dudley Cates is returning to his position as vice-president of Marsh & McLennan of Chicago, having resigned as principal deputy for industry on the staff of Gen. Hugh S. Johnson, national recovery administrator. Mr. Cates and General Johnson split on a number of questions, principally on the labor issue, and Mr. Cates' resignation created considerable stir.

Membership in Blackfoot Tribe Production Prize

The man or woman who places business on the largest number of lives for the Minnesota Mutual Life between Aug. 1 and Dec. 31 this year and the man or woman who produces the largest volume of business in that same period will be made honorary members of the Blackfoot Indian tribe at the annual convention of the company in the Glacier National Park, Montana, next summer.

NEWS OF THE COMPANIES

Companies' Records Are Good

August Production Figures Show Definite Recovery Trend in Life Insurance

The Pilot Life experienced the largest gain in business in force at the close of August of any month since April, 1930. Consistent gains in paid-up business for the past several months have been experienced by the Pilot, the August total being 20 percent greater than a year ago, while the total of written business for the current August was 33 percent greater.

* * *

The Ohio State Life's production for August was 32 percent greater than in August, 1932.

* * *

The Jefferson Standard Life reports \$8,165,188 new business in August, its best month since July, 1930. The total was \$2,936,000 more than the sales in August, 1932. Applications last month numbered 3,212, or an increase of 1,195 over August, 1932. The Jefferson Standard's renewals in August were also better than for any month in 1933.

* * *

The Penn Mutual Life in August paid for 38 percent more than in August, 1932, and 15 percent more than in August, 1931. This makes the fourth consecutive month's plus sign this year, compared with similar months in last year.

* * *

In August the Pan-American Life wrote the greatest volume of new life insurance ever written by the company in August of its history. An increase of 144 percent was shown over August, 1932, and total writings for the month exceeded those of any single month since March, 1931. August was "president's month." Applications were for comparatively small amounts and were well distributed over the company's territory of 26 states.

More than \$2,300,000 in applications was received on President Crawford H. Ellis's birthday, Aug. 26.

The Pan-American has launched a recovery drive for the last of this year.

* * *

The American Central Life's August was the best month of the year to date on the basis of volume of new insurance written. May total production, the best previous month for 1933, was exceeded by 15 percent.

Will Abandon Promotion Plan

Herget & Hoffman, attorneys at Peoria, Ill., report that the directors of the Educators Life of that city, which was being proposed, have decided to discontinue the organization. There is some talk on the part of a few of the directors of starting a new organization.

Forms Two-App-a-Week Club

A Two-App-a-Week Club for the Lamar Life has been announced by Dr. J. O. Segura, vice-president and agency director. This is in addition to the regular App-a-Week Club. A cash prize of \$100 has been posted for every man who qualifies for the new club at the end of the 48-week contest.

Named Secretary-Treasurer

TOPEKA, KAN., Sept. 7.—H. H. Motter, for 12 years United States internal revenue collector for Kansas, has returned to the life insurance business as secretary-treasurer of the Pioneer National Life of Topeka. He was one of the organizers of the company in 1928, has been vice-president ever since the charter was granted and had much to do with its preliminary activities.

Now he becomes one of the active managers. Hugh Duff is president.

Mr. Motter was with the Bankers Life of Olathe, Kan., and was named receiver for that company at the time of the Pettyjohn failure. The Bank Savings Life reinsured the business and Mr. Motter went to the Bank Savings as assistant to the president. Several years later he resigned to become internal revenue collector.

Missouri Mutual Reorganized

James A. Fulton, organizer of the Missouri Mutual Association, Springfield, Mo., has resigned as its president and turned over almost all his property to it at the request of the Missouri department. Control of the association passed from the Fulton family following an exhaustive audit by the department. S. M. Wear, Democratic state committeeman; C. W. Dickey, chairman of the county Democratic committee; B. M. Neale, S. E. Trimble, bank executive, and S. J. Bower have been elected directors at the request of the department.

Walton to Buffalo Mutual

H. G. Walton has been appointed actuary of the Buffalo Mutual Life. He has for six years been actuary of the Indiana department and prior to that connection was in the actuarial department of the American Central Life of Indianapolis for seven years.

Extend Royal Union Time

DES MOINES, Sept. 7.—The final date for receiving proposals for reinsurance or other disposal of the Royal Union Life, now in receivership, has been advanced to Sept. 10 by Federal Judge Dewey, at the request of L. A. Andrew, coreceiver. According to Mr. Andrew, 10 proposals have been received and another company has a proposition nearly ready to submit, and extension is necessary in order to allow time for its preparation. He said no action would be taken on present proposals until after the new closing date.

Ohio State in Campaign

The field force of the Ohio State Life, as a tribute to President U. S. Brandt, has launched its second annual policy-writing campaign for the president's trophy. Last year the trophy was won by the Chicago agency. The contest will close October 31.

Fraternal Changes Name

The Fraternal Aid Union of Lawrence, Kan., has now officially changed its name to the Standard Life Association. This is one of the prominent organizations of which George R. Allen is president. It was formed in 1914 through a consolidation of the Fraternal Aid Association of Lawrence, Kan., founded in 1890 and the Fraternal Union founded in 1896 at Denver. Its assets are \$13,503,293, legal reserve \$11,031,682, contingency reserve \$1,325,138, net surplus \$223,940. Its premium income last year was over \$2,000,000 and its claims paid \$1,636,256. It operates on the American 4 percent basis. It has over \$56,000,000 insurance in force.

Life Company Notes

The Central States Life of St. Louis, in its semi-annual statement, shows a 15 percent increase in assets since Dec. 31.

Celebrating the 33rd anniversary of its founding, the Liberty National Life entertained its 54 officers and employees at a banquet last week.

T. A. Buckner, president New York Life, announces that to conform to the spirit of the national industrial recovery act the home office will maintain a schedule of five days a week, closing on Saturdays.

SAID AN ANCIENT CHINESE



"One Picture Is Better Than a Thousand Mouthings." Don't sell your prospect facts and figures, sell him a house on a hill, sell him the vision of his wife and kids with a monthly income, sell him a trip around the world, sell him the picture of a technically trained son, sell him a little farm thirty miles out with an easy rocking chair on the porch. Your neighborhood butcher isn't interested in rate book figures, life expectancy charts, or the inside of a policy contract, but he is interested in chucking the apron and meat-axe when he is sixty.

The Central States Life offers an all-inclusive line of policy contracts with which to paint the picture—nothing is omitted. Desirable territory available in Illinois, Nebraska, Missouri, Kansas, Texas, Florida and California. Write for your copy of "Field Features."

CENTRAL STATES LIFE INSURANCE COMPANY

SAINT LOUIS

GEORGE GRAHAM, PRES.



SOUTHLAND *never sends a man out "with just a rate book"*

You know the expression: "carrying a rate book." That's about all some agents carry, and it's not their fault. It's the fault of the company which sent them out without training. But it's different at Southland. Every Southland agent, new or old, goes through the Southland school. Every angle of the insurance business is taught. The teachers are the president, vice-president, agency manager, actuary, agency supervisor, and director of public relations.

Southland Life Insurance Company

HARRY L. SEAY, President
HOME OFFICE DALLAS, TEXAS





Where to Find People We Want to See

Most of the people with whom we want to do business spend all their business time at their own desks, where they are hard to reach.

Salary Savings insurance takes the salesman directly to these people with an introduction from the head of their organization.

An easy pleasant way to sell life insurance and to establish an active, ever growing group of policyholders.

Connecticut General Life Insurance Company
Hartford, Conn.



Get a General Agency This Fall

—in Iowa,
Minnesota, Nebraska

At this time we have some excellent openings in territories of proved productivity. Take this opportunity to build a financial future for yourself with a 27-year-old company that is big enough for maximum strength, but not too big to give you close, personal, friendly assistance that gets results in the field. Write now.

Assets increased over 500% in decade and a half

**The Old Line Cedar Rapids Life
INSURANCE COMPANY**

Cedar Rapids, Iowa

Colonel C. B. Robbins, President
C. B. Svoboda, Secy.—Jay G. Sigmund, Vice-Pres. & Agency Director

CONVENTIONS

Aetna Life Convention Plans

Big Gathering Will Be Held Next Week in Chicago—Whatley in Charge

With 172 agents qualified, the Aetna Life will hold its conference at the Edgewater Beach hotel, Chicago, Sept. 11-13. There will be some 400 in attendance.

"The program," said S. T. Whatley, vice-president in charge of the Aetna Life's field organization, "is to consist of three morning sessions and a Wednesday evening banquet. For the afternoons and evenings of the three days, special arrangements have been made for all delegates and guests to attend the Century of Progress exposition."

Speakers on the Program

The speakers on the program and at the banquet will be President M. B. Brainard, Vice-President E. E. Cammack, Medical Director D. B. Cragin, Vice-president Whatley, Assistant Vice-president W. H. Dallas, Assistant Superintendent of Agencies R. B. Coolidge, Agency Assistant H. W. Florer, and L. Z. Richards, supervisor of the underwriting section. Speakers from the field organization will be F. S. Germond, Chicago; B. H. Wiseberg, Atlanta; H. L. Carter, Los Angeles; A. L. Rust, Indianapolis; W. N. Boyd, Seattle; G. H. Kuhl, Minneapolis; W. W. Luman, New York City; J. S. Maryman, Little Rock, and Jerry Hall, Los Angeles.

Paul Speicher, managing editor of the Insurance R & R Service, will speak Monday morning on "Today's Economics and Life Insurance." He is the only speaker outside the Aetna Life's own organization.

Officials in Attendance

Those from the Aetna Life home office attending but not on the program are R. W. Myers, vice-president and comptroller; W. L. Mooney, vice-president; C. F. Gay, agency secretary; C. V. Pickering, advertising manager; R. H. Pierce, editor "Life Aetna-izer," N. M. DeNezzo, agency assistant, and V. D. Burgesser, agency assistant.

Of the 67 Aetna Life general agencies in this country and Canada, the Luther-Keffer Agency, New York City, qualified the largest number of regionnaires, 19. The second largest delegation is the W. M. Hammond Agency, Los Angeles, with 14, and third is the W. R. Harper agency, Philadelphia, with 10.

National Guardian Convention

The agency convention of the National Guardian Life will be held at the Stevens hotel in Chicago Sept. 27. A session will be held in the morning and then the men will attend the meetings of the National Association of Life Underwriters. Dinner will be held that evening at the Pabst Casino on the Century of Progress grounds.

Kansas City Life Texas Meeting

O. Sam Cummings of Dallas, Texas state manager, will hold "educational sessions" for the Texas agency force of the Kansas City Life Sept. 4-8 at Junction, Tex. The theme will be "Life Insurance Selling Under 1933 Texas Conditions."

J. F. Barr, vice-president and superintendent of agencies; Waiter Cluff, supervisor of instruction, and J. A. Budinger, actuary, will represent the home office.

Mrs. W. W. Daily, 75, mother of H. S. Daily, general agent of the Connecticut Mutual Life in Kansas City, died at her home in Brunswick, Mo., last week.

Watch Your Step, Freshman

September — and thousands of freshmen—full of life and enthusiasm—not yet knowing that a freshman's road is hard, beset by perils and sophomores.

So many new things to learn, so many pitfalls to guard against. Reflect: The freshman class is the largest in any college;

COMMONWEALTH CORDIAL CO-OPERATION

but the senior graduating class is the smallest. What becomes of them? New life insurance men — you are getting your first hazing—but not the last one you will receive. Yet the rules to success have all been worked out for your guidance. Follow them—without losing faith. When you need help, Commonwealth's Cordial Co-operation will furnish it. Somewhere ahead a diploma — independence, contentment — is waiting for you.

COMMONWEALTH LIFE INSURANCE CO. LOUISVILLE, KY.

LIFE AGENCY CHANGES

Nyman Going to the Coast

Well Known Northwestern National Life Man at Minneapolis to Open San Francisco Agency

Mel R. Nyman, associate manager of the White & Odell agency of the Northwestern National Life in Minneapolis, is severing his connection with that agency at the end of September to establish a new general agency in San Francisco for the Northwestern National. The White & Odell agency is the Northwestern National's largest agency, with over \$100,000,000 insurance in force.

The change to the west coast is being made because Mrs. Nyman's health requires a more equable climate. He will open his new office Oct. 1.

Mr. Nyman became associated with the Northwestern National Oct. 15, 1915, after having spent all of his previous business career in the taxicab business. He has been continuously with the White & Odell agency since that time. After the war he was for a year and a half engaged in developing the northern Minnesota territory for White & Odell, following which he returned to Minneapolis to become associate manager of the agency.

O'Brien Put in Charge of Michigan by American Life

M. E. O'Brien, former head of the Detroit Life, has been appointed Michigan supervisor for the American Life of Detroit, succeeding Hugh E. Vandewalker, who resigned recently to become state manager for the Ohio National Life. After having been district manager for the Northwestern Mutual in the Upper Peninsula of Michigan, Mr. O'Brien went to Detroit as president of the Detroit Life, which he headed until 1929, when the Moss interests obtained control. Later he was appointed New York agency manager of the Maccabees. Last January he returned to Detroit to organize the Jefferson National Life.

Hill With the State Mutual

Well Known Life Man at Richmond, Va., Takes Management for the State

H. R. Hill has been appointed general agent for the State Mutual Life at Richmond, Va. For several years the company has had a small general agency at Winchester, which is being closed. Mr. Hill's territory will include the entire state. For several years he has been supervisor of the home office general agency of the Life Insurance Company of Virginia.

A. C. Lesch

The Indianapolis Life has appointed A. C. Lesch manager for Minneapolis territory. Mr. Lesch, although only 34 years old, has had 10 years of successful life insurance experience. He is a graduate of the University of Minnesota and is commander of the American Legion in Minneapolis.

Vernon Casey

Vernon Casey, Madison, Wis., has been appointed superintendent for Wisconsin by the North American Life of Chicago, with offices in the Kesselman building, Milwaukee. He succeeds W. F. Turck, state agency director, who has joined the S. J. Herzberg ordinary agency of the Prudential in Milwaukee.

Mr. Casey for the last six years has been a member of the Casey-Mason Agency at Madison, which represented the North American Life along with other companies. He has withdrawn as an active member of that agency and will devote his entire time to the Milwaukee office.

Bryson Loughridge

Bryson Loughridge, agency counselor of the Acacia Mutual general agency in Detroit since May, has been made assistant manager of the home office agency in Washington, D. C. He was formerly assistant manager of the Prudential ordinary agency and prior to that was educational director of the Mu-

Get Home Life in Newark



G. D. HEDDEN



W. H. KIERSTEAD

W. H. Kierstead and G. D. Hedden have formed a partnership as Hedden & Kierstead and are appointed general agents in New Jersey for the Home Life of New York with offices in Newark. Mr. Kierstead for a number of years was with the Day & Cornish agency of the Mutual Benefit Life in Newark. Mr. Hedden was formerly vice-president of the Hedden Iron Construction Co., and following a merger of that

firm became manager of the McClintock-Marshall Corporation. Their office will be in the Military Park building, Newark. Both partners are especially interested in the development of life insurance trust business and the analysis of insurance estates and plan to make their new office distinctly a service organization, to which trained associates will be added from time to time.

Compensation!

WHY is the institution of life insurance successfully riding the waves of national financial distress? The answer is not good luck, vast profits, or tricky manipulations. . . . It is so obvious, axiomatic, and simple, that the average mind, through its tendency to search for obscure causes, overlooks it.

Life insurance survives because its corner-stone is scientific conservatism. Quick profits, speculation, guess-work, grasping at the merely expedient have no place in its methods. Life insurance knows that, at the bottom of the wine of prosperity, are the dregs of depression. . . . In times of plenty, it entrenches itself against attacks of panic. . . . It survives the worst because it cherishes the best.

Life insurance, neither pessimist nor optimist, is cold, calculating science, recognizing human frailty and nullifying its evils.

**AMERICAN CENTRAL LIFE
INSURANCE COMPANY
INDIANAPOLIS, IND.**

Business Builders

* * *

In the complete and varied assortment of selling helps provided by the Company, Guardian Fieldmen have found common sense solutions of many of today's production problems.

Originated and tested in the field, these new and unique business builders are helping Guardian Fieldmen to open the door to sales with marked frequency and regularity.

* * *

THE GUARDIAN LIFE
ESTABLISHED 1860
INSURANCE COMPANY OF AMERICA,
50 UNION SQUARE · NEW YORK CITY



PURE PROTECTION LIFE INSURANCE

Estimated Average Annual Cost for Whole Life Policy over Period of Twenty Years based on Actual Experience Past Ten Years.

Age 35—\$15.38

Per \$1,000 of insurance
Reduced to this figure by an earned dividend.

**No Cash Demand Liabilities
except advance premium payments**

**Excellent Opportunity for Salesmen
Operating in Illinois, Michigan, Indiana and Missouri.**

**INTERSTATE RESERVE
LIFE INSURANCE
COMPANY**

Mutual Legal Reserve Life Insurance
Ten East Pearson Street CHICAGO Phone Superior 1714

**Managers Wanted
in
INDIANA
IOWA
ILLINOIS**

Some other territory available.

An Unusual Contract for an Unusual Organizer.

COMPANY HAS

REDUCED PREMIUM RATES

NEW POLICY EQUIPMENT

DISABILITY BENEFITS (Two Forms)

ACCIDENT and HEALTH EQUIPMENT

All a Part of a New Aggressive Development Program

If Interested and Qualified for a Real Manager's Contract with Real Opportunity

WRITE

**THE
OHIO STATE LIFE INSURANCE CO.
COLUMBUS, OHIO**

**U. S. BRANDT
President**

**F. L. BARNES
Agency Vice-President**

tual Life of New York's Detroit agency. He was the founder and first president of the Detroit Life Insurance Supervisors Association, organized in 1931.

A. T. Lynner

A. T. Lynner, Fargo, N. D., has been named manager at Des Moines by the Lincoln National Life to succeed Elmer Loucks.

He served one four-year term as mayor of Fargo. He also organized and held the presidency of the Home Savings Loan Association there. The Des Moines agency office will remain in the Valley National Bank building.

George Ott

George Ott, who has been president of the Philadelphia Life Underwriters Association, has resigned as one of the Philadelphia managers of the Equitable Life of New York.

H. R. Krelstein

L. Ottenheimer Sons, general agents for the Lincoln National Life, with offices at 8 South Michigan boulevard, Chicago, announce appointment of H. R. Krelstein as supervisor. Mr. Krelstein, a former Chicagoan, is well known among insurance men in that city. He has been in insurance for many years, and resigned a post in the conservation department of a western company to go with L. Ottenheimer Sons.

C. M. Stiller

C. M. Stiller, for 14 years district agent for the Northwestern Mutual Life at Wichita, Kan., has been appointed manager of the Reliance Life in Oklahoma

with headquarters in the Colcord building at Oklahoma City. He is a graduate of the University of Kansas.

H. H. Heath, R. C. Cheatham

H. H. Heath, formerly joint Oklahoma state manager for the Fidelity Mutual, which recently withdrew from the state, has been appointed assistant general agent of the Lincoln National Life in Oklahoma City. R. C. Cheatham, who was associated with Mr. Heath as manager for the Fidelity Mutual, is now with the Capitol Life.

Life Agency Notes

The Capitol Life of Denver states that the report that its northwest agency at Portland, Ore., has been discontinued is incorrect.

F. W. Carrington has opened an agency in Richmond, Va., representing all lines of the Aetna Life and affiliated companies. For several years he was an agent in that city for the Mutual Benefit Life.

The following superintendents have been appointed by the Western & Southern Life: W. D. Kouns, Huntington, W. Va.; H. E. Jennings, Cleveland, and H. Y. McCandlish, Kent, O.

Nathan Spector, with the Metropolitan Life at Portage, Wis., for nearly four years, has been promoted to assistant manager at Madison, Wis. Wallace Krentz of Janesville succeeds him at Portage.

A. D. Wright, in life insurance work for 15 years, has been made supervisor for the Aetna Life for eastern Arkansas and southeastern Missouri, with headquarters in Paragould, Ark., operating under G. H. Campbell, general agent, Little Rock.

AS SEEN FROM NEW YORK

By R. B. MITCHELL

AGENCIES REPORT GAINS

The C. E. DeLong agency of the Mutual Benefit in New York City paid for \$2,078,570 last month as against \$1,849,600 in August, 1932. For the year to date the agency paid for \$16,819,365 as against \$13,128,100 last year.

The J. S. Myrick office of the Mutual Life of New York in New York City paid for \$1,483,701 last month as against \$1,194,826 for August, 1932. Total paid business for the year to date was \$14,382,624 as against \$18,914,451 last year.

The Luther-Keffer agency of the Aetna Life in New York City paid for \$1,437,220 in August and \$18,039,514 for the year to date.

The Keane-Patterson Agency of the Massachusetts Mutual Life paid for \$1,052,072 last month as against \$930,403 for August, 1932, and \$9,644,790 as against \$10,374,481 for the year to date.

The J. Elliott Hall agency of the Penn Mutual Life in New York City paid for \$1,624,137 in August as against \$1,069,085 in August, 1932, and \$13,008,613 as against \$12,726,175 for the year to date.

INCOME INSURANCE FOSTERED

The \$15 weekly minimum wage now being so strongly urged by the NRA may well do as much for the life insurance business as the government's \$10,000 war risk policy did in raising people's standards as to the adequacy of their life insurance, according to G. A. Sharpe, sales manager C. E. DeLong agency, Mutual Benefit in New York City. "Here is public and government approval of \$15 a week as the minimum living wage and it requires \$17,500 of life insurance to provide it from interest alone at 4½ percent or about \$10,500 to provide it for 20 years using principal and interest," Mr. Sharpe points out. "It is practically demanded of the employer that he reduce working hours and pay at least this minimum wage even though he will have to look for his

reimbursement to the future increased business that is expected to result. Isn't it just as logical and just as necessary for a man to provide through insurance at least this minimum living income for his life even though he may have to depend upon future increases in his earnings to maintain it? Keep hammering away on the \$15 per week idea and it will sell a lot of small policies."

* * *

ORGANIZING NEW COMPANY

A new life company, the National Protective of New York City, is being promoted by J. C. Milley & Co., an investment house in that city. It is planned to have \$1,000,000 capital, it being sold at \$10 a share to include \$7 for surplus. It is stated that Charles F. Tuttle will be president. He has been affiliated with fire insurance in New York City. C. R. Harper is slated for executive vice-president. For a number of years he was general agent of the Columbian National Life of Boston in New York City. Among the directors are D. G. Ong, president United States Leather Company; J. W. Campbell, chairman of the Credit Clearing House; C. C. Mollenhauer, president Dime Savings Bank of Brooklyn; L. L. Clark, formerly chairman of the executive committee Irving Trust Company of New York. The incorporators have filed the charter. It expects to complete its organization without great delay and when it is licensed it will apply for admission to other states.

* * *

OPENS LIFE DEPARTMENT

The C. R. Rikel agency, one of the oldest and best known insurance brokerage offices in Brooklyn, and recently appointed general agent for the Brooklyn National Life, has announced the establishment of a life department under the management of C. E. Dowling, formerly assistant manager of the life department of Marsh & McLennan, New York.

AS SEEN FROM CHICAGO

ROYAL LIFE BEING ORGANIZED

The Royal Life of Chicago is being organized under the assessment act of 1927 and has to have a guarantee fund of \$10,000 set aside. The main men in the enterprise are James F. Kelly and Joseph Conley. It is stated that they expect to make an intensive campaign to complete the organization the latter part of the year. E. E. Elliott, 11 South La Salle street, Chicago, is the attorney.

* * *

HEIFETZ OFFICE TO MOVE OCT. 15

Samuel Heifetz, manager for the Mutual Life of New York in the Insurance Exchange, plans to move his office to the 20th floor of the new Field building, LaSalle and Adams streets, around Oct. 15. The new office contains nearly 8,000 square feet of floor space, about the same as in the present quarters, but more compactly arranged and making it possible to house approximately 18 more agents than at present. Mr. Heifetz now has 46 agents. There will be 15 private offices besides that of Mr. Heifetz, and a large conference and educational room which will seat 65 persons comfortably. The Heifetz agency, organized in January, 1926, has had great growth, reaching the peak of more than \$13,000,000 annual paid production during the prosperity era. The annual agents and brokers school will be started in October shortly after the agency is settled in its new quarters. It will be under the direction of Vincent Burke, agency organizer, W. F. Dineen, J. A. Lyon, statistician, and Fred Kann, supervisor.

* * *

WANT INSURANCE DIVIDED

Some life offices find that there is a tendency on the part of some applicants to want their insurance divided. For

NEWS OF LIFE ASSOCIATIONS

Membership of 500 Sought in Big Philadelphia Drive

PHILADELPHIA, Sept. 7.—The Philadelphia Association of Life Underwriters is now in the closing stages of a membership drive which it is hoped will mean a 25 percent increase in membership and bring the total up to 500 when the first fall meeting is held Oct. 19. The drive is under the direction of M. R. Orr, vice-president.

This year meetings will be held the third Thursday of every month. Louis Paret, Provident Mutual general agent, as chairman of the program and speakers committee, will endeavor to line up speakers at the National convention in Chicago.

The first meeting will be a luncheon affair with the second one a dinner meeting. Present plans call for the meetings to feature aids for the average agent.

* * *

Omaha—J. R. Hastie, associate manager Mutual Life of New York in Chicago and past president Chicago association, will speak Friday noon on "Working Methods." He will tell something of an organized approach, presentation and close. Mr. Hastie will be one of the speakers at the annual convention of the National association in Chicago. President Walter Rigg of the Omaha association, who is manager for the Mutual Life of New York, will preside at the meeting Friday.

* * *

Southwest Louisiana—At a meeting in Lafayette, La., Dr. G. J. Tinsley, Southwestern Louisiana Institute, outlined the possibilities of establishing a course for life underwriters and the matter met with general approval. John Blumstead, state manager Equitable Life, conducted a discussion on fundamentals of life insurance.

* * *

Jackson, Miss.—The local staff of New York Life had charge of the program at the last meeting. Oscar Wilkins gave an account of the life of Gen. J. E.

Johnston of Confederate cavalry fame who was at one time in charge of Mississippi for New York Life. W. E. Mallott, for 40 years with the New York Life, spoke on "Life Insurance 40 years ago." W. Y. Guibert's address was on "Life Insurance Today."

Charleston Stevens, secretary of the association, has resigned due to his transfer to Macon, Ga.

* * *

Oklahoma City—The first luncheon will be held Sept. 9. The subject, "What Happens When a Man Dies," will be presented from the angles of a prominent physician, attorney and other professional men.

* * *

St. Louis—The first fall meeting will be held Oct. 19, when a report on the National association convention in Chicago will be made.

* * *

Colorado—W. A. Scroggs, educational chairman, is launching a campaign to increase the Colorado C. L. U. enrollment. Past examinations have been held exclusively at Denver university for the Colorado territory, but Mr. Scroggs hopes to arrange examinations at a number of Colorado cities next June.

H. O. Smith, Denver Connecticut Mutual agent, will give a series of 12 lectures beginning Sept. 18, on life insurance fundamentals under the auspices of Denver University school of commerce. He is a past president of the Colorado association.

* * *

San Francisco—A meeting will be held Sept. 18, with Dick Carlson of the University of California as principal speaker.

J. F. Johns, supervisor Reliance Life, has been appointed an executive committeeman to serve until Dec. 31.

Karl L. Brackett, general agent John Hancock Mutual Life, who serves as national executive committeeman of the San Francisco association, has been made chairman of the San Francisco delegation to the National association convention in Chicago.

Kellogg Van Winkle, Los Angeles manager for the Equitable Life of New York, has arrived home from a vacation trip of several weeks to Hawaii.

THE FORMULA OF SUCCESS

LIFE INSURANCE can be explained in plain, everyday language. The facts can be simply stated. People need to be told about life insurance by one who knows life insurance and its adaptability. Salesmen of integrity, ability and courage who will work systematically and plainly state the facts of life insurance service will be Masters of their craft and successful.

THE MUTUAL LIFE OF NEW YORK, with its long history of increasing success, offers opportunity. It writes Annuities and all Standard forms of life insurance. Double Indemnity Benefits. It has many practices to broaden and expedite service for Field Representatives and for Policyholders.

Those contemplating engaging in life insurance field work as a career of broad service and personal achievement are invited to apply to

The Mutual Life Insurance Company of New York

34 Nassau Street

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AN OLD-LINE LEGAL RESERVE COMPANY



Turns Prospects into Policyholders

Whenever the business of writing Life Insurance is discussed, the new Yeomen Mutual policy portfolio receives praise and commendation from the hundreds of progressive agents who are cashing in on it. This complete kit of 32 modern contracts makes selling easier, for it is "tailor made" to fit every prospect and every situation.

All signs point to a banner year for Yeomen Mutual agents. If you are looking for larger opportunities and earnings, write.

**YEOMEN MUTUAL LIFE
INSURANCE COMPANY**

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Home Office: Des Moines

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Consulting Actuary
Annuity Specialist
 300 S. Brand Blvd.
 Glendale, California
 Phone: Douglas 3118

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CONSULTING ACTUARY
 160 N. La Salle St.
 Telephone State 1213
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 Indianapolis, Omaha, Kansas City

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ALEXANDER C. GOOD
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 615 Trust Co. Bldg., Jefferson City,
 and
 800 Security Building, Kansas City

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PENNSYLVANIA

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Consulting Actuary
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 Fred E. Swartz, C.P.A.
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 THE BOURSE PHILADELPHIA

Full Effects of Loans in Future

(CONTINUED FROM PAGE 1)

considerably greater except for the educational campaign continuously conducted by companies and for high ethical standards of agents.

It has been suggested, Mr. Parker said, that the method of remuneration of agents generally in force throughout Canada in some measure is responsible for higher lapse rates. He said many agency contracts provide at least a partial measure of remuneration for persistency. As yet there is nothing to show a different method of remuneration is of advantage. In Great Britain, where agents are remunerated largely by first year commission and relatively small renewals, the lapse rate is decidedly lower than in Canada or the United States.

For many years the companies have attacked the lapse problem from the angle of educating agents to sell the insurance properly and intelligently, to give intelligent service; by educating policyholders to realize the full value of protection, of the saving features in their policies and the loss which every policyholder suffers by his neglect in maintaining his contract, and by educating agents further to discriminate in favor of the class of policyholders in which there is less danger of lapse and away from those who continue to show a high ratio of lapse.

Surrenders Are Chief Problem

By far the greatest problem which companies have had to face, Mr. Parker said, has been surrender of policies for cash values. A limited number of these surrenders are due to what might be termed natural causes, either surrender at the end of a limited payment or deferred dividend period.

There are four main causes. First, thousands of policies have been surrendered to supply money for living expenses of policyholders' families, in which case the policies are undoubtedly fulfilling their proper function. Second, the large volume of insurance taken out for business purposes has been surrendered because of failure of the business, or because of diminished earnings. Third, policy loans have been a large factor in causing surrenders. Fourth, the automatic premium loan, which is closely allied to the policy loan, has produced equally serious effect in causing surrender. An easy way has been offered for paying premiums even in times when possibly added effort might have produced payments from another source. When no further advances were possible from the policy it was surrendered.

Result of Abnormal Conditions

Mainly, however, abnormal business conditions existing throughout the world have been responsible for the surrenders. Mr. Parker said it has been a wonderful achievement for Dominion life companies to meet every demand made by policyholders, to pay out millions of dollars in death claims, maturities and policy loans, as well as on surrenders.

Mr. Parker took up the suggestion freely made, both in the United States and Canada, that amounts allowed as surrender values have been entirely too high. He expressed hope that the time will come when surrender and cash values will be lower than those used for the last 15 or 20 years.

He said many plans have been advanced and tried to ease the situation and every company through one method or another is definitely pledged to protect in every way the interests of policyholders and assist them in carrying policies through until normal conditions return. This program has been a heavy expense to companies. There have been many changes made, entailing a vast amount of correspondence and technical work.

Fulton Broadcasts Message to Field

(CONTINUED FROM PAGE 1)

of you have been able to overcome these obstacles is evidenced by the increase of production records of many individuals.

"As most of you know, the company, in an effort to cooperate in the solution of your problems, has been conducting a sales analysis study for the past eight weeks. The period selected is normally the worst period of the year. But that is precisely what we wanted—we wanted to get down to bed rock—to find out exactly what could be done—what was actually being done under difficult conditions. The results of this sales study clearly portray your problem and its solution.

No Special Effort Made

"No attempt was made to increase the sales effort of any man taking part in this study. We merely wanted facts on what he did in his usual week. And we discovered that those men who were doing a normal week's work were securing a normal volume of business.

"The results of similar investigations covering about 1,000,000 hours in this business show that 14 planned interviews a week will average one sale a week for \$5,000. Our men were averaging 10½ interviews per week and \$3,420 of business. Fourteen interviews would have produced more than \$5,000 per week for this same group.

"This indicates that the Home Life men taking part in this study were distinctly above the average or that general conditions are better than any of us realize. We hope that both these things are true. But it does clearly indicate that business is available in substantial consistent volume for those who want it sufficiently to pay the price.

Great Opportunity Presented

"I believe that the general state of the country, with the unbounded optimism which appears on every hand, presents an opportunity for every one of you to break the chain of your production depression in the fall season which lies before us—if you as individuals will adopt unusual measures to solve your individual problems.

"Will you, as we enter the greatest fall season we have had in years, adopt as your recovery code a full normal week's work of 40 hours with 14 carefully planned interviews from now until Dec. 31? If you will join with me in this movement we can well say that this is a great forward stride in the 'Home Life Recovery Act.'

Hill of Northwestern Mutual to Address C. L. U. Meeting

Grant L. Hill, director of agencies of the Northwestern Mutual, will be the principal speaker at the annual convention of the National chapter of C. L. U. to be held at the Stevens hotel in Chicago Sept. 28, during the annual meeting of the National Association of Life Underwriters. Mr. Hill's address will be "C. L. U., an Opportunity and a Responsibility."

Advance reservations for the dinner indicate this will be the largest gathering of C. L. U. men and women ever held. W. P. Stedman of the National of Vermont at Baltimore is president of the national chapter and will preside. G. S. Brown, Penn Mutual, Chicago, is chairman of the Chicago chapter's committee on arrangements for the meeting. Other members are W. N. Hiller, Penn Mutual, president Chicago chapter; F. J. Budinger, Franklin Life; A. J. Johannsen, assistant to the general agent of the Northwestern Mutual, and Frederick Bruchholz, agency director New York Life.

Every life underwriter should subscribe for a personal copy of The National Underwriter.



North American Building, Chicago

Strong Progressive

North American Life Insurance Company of Chicago

John H. McNamara
Founder

E. S. Aabrook
President

Paul McNamara
Vice-President

\$1,000 to \$1,600

Ordinary Life Insurance at An Average Cost GUARANTEED OF ONLY \$14.00 per \$1,000

Of Course Issued in Larger Amounts

All Premiums Returned
 in addition to face of policy in event death before age 60

FULL FACE THEREAFTER AND PREMIUM REDUCED 20%

Example

Original cost, age 30, \$21.40 per \$1,000 to age 59; \$17.19 per \$1,000 thereafter.

If you reside in Ohio, Illinois, Indiana, Kentucky, Pennsylvania, Tennessee, West Virginia or the District of Columbia,

Write for Samples and Particulars
 This is one of the many unique contracts issued by

Federal Union Life
 FRANK M. PETERS, President
 CINCINNATI, OHIO

DYNAMIC SHORT COURSE

Designed to put a new man into production upon a solid basis at end of three days. Price \$3.00 cash with order. Full refund if complete plans are followed and you are not satisfied.

Insurance R & R Service
 Indianapolis, Indiana

Send 5 cents in stamps for sample copy of

The Accident & Health Review
 The only exclusive accident and health paper published.

Address your inquiry to A-1946
 Insurance Exchange, Chicago

Answers to C. L. U. Degree Examination

Life Insurance Salesmanship

(CONTINUED FROM LAST WEEK)

Question 5

- (a) What is a memorized sales talk?
- (b) Under what circumstances can it be used successfully?
- (c) What specific advantages or disadvantages does a memorized sales talk present to the salesman?

Answer to Question 5

(a) A "memorized sales talk" is a sales presentation which is written out and learned verbatim by the salesman for the purpose of applying it to a certain situation to fill certain needs.

(b) A memorized sales talk is good for a special canvass of one type of prospect, such as school teachers, or young single men who are working. It is good when selling a particular type of policy. It is also useful to the new and inexperienced agent who is trying to find himself.

(c) A memorized sales talk possesses a number of advantages. (1) It guarantees that the underwriter will say something worthwhile. (2) The presentation will be given in better and perhaps more forceful language than would be the case if such preparation were not made beforehand. (3) The talk will be more logical because of its pre-arranged sequence. (4) No part of the presentation will be overlooked. (5) It enables the agent to watch the prospect and take advantage of his reactions without having to give much attention to what he should include in his sales talk.

The disadvantages of such a talk are numerous and important.

(1) The salesman may find himself conducting his interview in a mechan-

ical or parrot-like manner. This may "kill" his chances for a sale.

(2) Unique and unexpected situations are apt to disconcert the salesman because he will depend too much on his prepared talk to take care of the situation.

(3) It is so easy to continue using a prepared talk that the salesman will become lazy mentally regarding current developments in his field.

(4) The salesman may be so concerned with getting his talk across that he talks too much and fails to take advantage of the proper time for closing. In other words, he talks himself out of a sale. During the entire sale it is important that the salesman guide the thoughts and feelings of the prospect. Because the memorized sales talk is liable to omit the "you attitude" from the presentation, it becomes dangerous. The suit should be "tailor-made."

Because of the serious disadvantages connected with a memorized talk many salesmen prefer to prepare and commit to memory a number of outlined selling talks, each of which fits a certain situation and need. They are not memorized word for word, but rather each is a memorized group of selling points, to be used as the occasion requires.

Question 6

Alex Brown is 35 years of age, single, and without dependents. Prepare a brief outline of the sales talk you would use in interviewing him in presenting a long term endowment policy.

Answer to Question 6

"Mr. Brown, the proposition I am going to lay before you is 'life insurance' in the true sense of the word, as contrasted with 'death insurance.' It is not uncommon to understand that life in-

surance is something that pays somebody if death occurs. But the fact is, Mr. Brown, the contract I have in mind for you is thrift insurance and not death insurance. A man in your position has every right to question a life insurance proposition in terms of 'what will it do for me?' because you are not in the same position at all as the man with a wife and one or more children. The beauty of this kind of contract is that it is going to take care of you—it is going to provide for Old Man Alex Brown, when he gets to retirement age. With this kind of a contract you will be in a position at age 65 to say whether you should retire or not.

"This proposition is more than a savings account. We will sell you this estate, this money, from the time you make the first payment. It is yours just as long as you keep up the deposits in your savings account. When you get to age 65 we will hand you \$..... in cash, or we will guarantee you \$..... per month just as long as you live. That will mean a whole lot to Old Man Brown. Did you ever stop to think that you can live in peace and comfort on money which you can deposit regularly without sacrifice?" (Follow with pictures showing the hardships of dependent old age, and the joys of independence in old age.)

"In addition, there are other things that this contract will do for you. If something should happen to you, it will take care of your debts—and they are your debts,—and let you check out with the same reputation which you so highly prize now, that of paying off every obligation you ever incurred." (Explain here the provisions of a clean-up fund for Alex Brown.)

"Here is something else it does for

Boost C. L. U. Movement in St. Louis, Hear Huebner

Dr. S. S. Huebner, dean American College of Life Underwriters, spoke at a luncheon in St. Louis Sept. 6 on the C. L. U. movement. He was the guest of honor at a dinner that evening under the auspices of the St. Louis C. L. U. chapter, headed by A. E. Miller, Northwestern Mutual Life.

Eight new San Francisco C. L. U.s were admitted to membership in San Francisco chapter at its quarterly meeting, giving the organization 23 members.

Verne Steward, C. L. U., beginning Sept. 25 will conduct two types of courses of instruction preparatory for the C. L. U. examinations next year at the University of Southern California downtown branch, in Los Angeles.

you. It gives you the best kind of an emergency fund. Suppose something should happen to you, to disable you and possibly put you in a hospital for many months. Or suppose you should lose your job and get down and out, with no money. This is an emergency fund that will provide money when you need it most.

"It is really a savings account, Mr. Brown; and as I said before it is insured. It is also a savings account that you will keep up. If you are like most of us, a savings account in some other form is liable to be appropriated almost any time, for a trip, a new car, or some-

Going Stronger Than Ever in 1933

WE NOT only had fifty million in force when we were fifty months old, but we are leaping ahead to the fifty-three million mark for our total in force by the end of August.

We finished 1932 with better than forty million in force.

We have made gains every month since we started in business.

We do no business outside Illinois.

We do not take or want Agents from other Companies.

We have low Participating Premiums.

We are as strong as the strongest.

Sample of Net Cost :

At age 35 an Ordinary Life Policy taken in 1929 with a Participating Premium of \$20.63 drew a dividend when the third Premium was paid of \$2.60. When the fourth Premium was paid it drew \$2.80 dividend, and when the fifth Premium was paid it drew \$3.00.

L. A. WILLIAMS, General Manager

COUNTRY LIFE INSURANCE COMPANY
608 So. Dearborn Street, Chicago, Illinois

announcing a new plan

Readjustment Income

1—A Cash Payment to Clean the Slate.

2—A Living Income for Two Years.

3—A Smaller Income to Supplement Earnings for the Next Three Years.

A definite policy which fits a definite need, increases the average size policy and eliminates much of the detail formerly necessary in the sale of plans of this type.

STATE MUTUAL LIFE

ASSURANCE COMPANY

WORCESTER, MASSACHUSETTS

Incorporated 1844

thing equally attractive. This investment, however, is not subject to such temptation. You will not draw on it so readily, and you will do everything in your power to keep up your deposits.

"The adoption of this plan is a step forward in your financial progress. If you should want to borrow money, for business or other good reasons, the first thing a banker will ask you is, 'Do you carry life insurance?' If the answer is yes, then you will get your credit and on more liberal terms.

"Finally, your superiors in this business will take into account your good judgment and your ability to save, if you take this proposition. It is the best recommendation you could have; it will make them feel sure that you are the man for bigger and better things in your work.

"Of course you know, Mr. Brown, that before you can get this contract, the doctor will have to look you over. If you will step around to his office I think he will see you right away."

(TO BE CONTINUED NEXT WEEK)

Missouri State Deal Is Debated

(CONTINUED FROM PAGE 3)

to pay \$100,000, and thereafter to pay additional sums as may be necessary to pay expenses of closing the business and disposing of the assets, taxes and debts due the United States, and governmental subdivisions, death losses and matured policy claims payable on or before Aug. 28, 1933, salaries to employees of the old company, valid claims of secured creditors against the old company, fifty percent of other valid claims against the old company, including deficiency claims of secured creditors.

It agrees to assume existing policies and annuities according to their terms; it will reinstate any lapsed policy which by its terms is entitled to reinstatement; a lien of fifty percent as computed on September 1, 1933 will be established to bear five percent interest until Sept. 1, 1948, and thereafter at the rate of 4 percent; the lien and interest will be deducted from any settlement or from the value used to purchase paid-up or extended insurance except that should the insured die before Sept. 1, 1948, the company will waive the lien in the payment of the death claim, subject to the deduction of any accrued interest on the lien. The mortality cost of waiving the lien shall be provided from the net earnings of the business of the old company, purchased hereunder.

Extended Insurance

Policies under extended insurance will have a reserve equal to the sum remaining after deducting of the lien and this balance will be applied to continue the insurance in force for such term as such remainder shall suffice to pay for at the then attained age.

The lien shall not apply to policies of group life, group accident and health or commercial accident nor shall it apply to registered life or annuity policies.

The new company shall not be required prior to Sept. 1, 1936, to make cash loans or pay surrenders but loans may be made to keep insurance in force. The moratorium may then be extended for another two years.

Dividends on participating policies may be paid at the discretion of the Directors.

All death claims occurring prior to Aug. 29, 1933, will be paid in full.

On disability claims the waiver of premium provisions will be granted in full. With certain exceptions payment of cash disability benefits shall be reduced 50 percent.

Dividends left on deposit prior to the date of the agreement together with the interest will be subject to the 50 percent lien.

Matured endowments will be paid in full if they accrued prior to Aug. 29, but thereafter will be modified by liens.

The new company will not assume any agents contracts but will pay commission subject to a reduction of the lien percentage.

The new company shall assume the reinsurance contract with the International Life and its receivers, subject to the lien.

As of Dec. 31, 1934; Dec. 31, 1937; Dec. 31, 1940; Dec. 31, 1942, and Aug. 31, 1948, the new company will recon sider the lien.

Stockholders in the old company may buy stock in the new company at the original purchase price of \$40 per share, at the rate of three shares of new common stock for each 40 shares of stock in the old company.

After the liens have been paid in full the net earnings at each periodic accounting and at the final accounting Aug. 31, 1948, will be paid pro rata to the then holders of the stock in the old company.

The fees allowed to the new company will include two percent on all renewal premiums on life policies, other than group, \$1.25 per annum per \$1,000 of mean life insurance in force, except group, and 75 cents per \$1,000 on group life, 10 percent on group accident, 20 percent on all other accident and health.

TALBOTT WIRES STAND

LOUISVILLE, Sept. 7.—State Auditor Talbott wired Superintendent O'Malley of Missouri his objection to the Missouri department's audit and valuation of assets of the Missouri State, contending that with examiners of eight states agreeing to an impairment of \$13,000,000, it was his opinion that this agreement is far more likely to be correct than an individual opinion establishing impairment at \$22,000,000. Talbott's wire was in response to a query from O'Malley asking that Talbott list his objections to the valuation set forth by the Missouri department.

Talbott refused to comment on the proposed sale of the Missouri State to Milton and Head until he had an opportunity to study details of the proposed contract, but was opposed to any contract which did not protect the Kentucky Home Life's holdings of 29.5 percent of the stock of Missouri State, which Kentucky Home carries at \$2,250,000.

He held that the only contract he had seen was unsigned and bearing numerous penciled notations between the lines, and in such shape that neither he nor Commissioner Senf of Kentucky could understand it. Talbott indicated he did not propose to see the 148,000 shares of Missouri State stock held by Kentucky Home made practically valueless.

Talbott announced ten days ago and has reiterated that he proposed to ask a congressional investigation into the affairs of the two companies, and added that they could investigate him also if desired, in view of the fact that all kinds

of charges had been made against him in St. Louis.

BIG LOAN IN SPOTLIGHT

The matter of the \$800,000 loan, which was made by the Missouri State Life to enable Julius H. Barnes and Frank Cohen to purchase control of the Kentucky Home Life from A. M. Greenfield held the spotlight in the affairs of the defunct Missouri State, following announcement by State Auditor J. D. Talbott of Kentucky that he would demand a congressional investigation of the affairs of the Missouri State and particularly of the \$800,000 loan.

W. T. Nardin, president of the Missouri State, declared that the loan was made for the purpose of putting the stock of the Missouri State Life owned by the Kentucky Home Life in the hands of trustees named by the Missouri insurance superintendent. He said it was made with the approval of the then superintendent J. B. Thompson. Nardin said in the summer of last year control of the Missouri State was threatened and Superintendent Thompson demanded that the Missouri State stock in possession of the Kentucky Home be put in the hands of trustees.

On Thanksgiving Day, Barnes said his group had a chance to get control of the Kentucky Home Life and needed \$800,000. A decision was reached to get the loan from St. Louis banks on account of the Missouri State. This was done and in January of this year the Missouri State took over the loan. Mr. Nardin said the purpose of the loan was not to give Barnes control but to put it out of his control and in the control of the Missouri superintendent. This was never carried out, Nardin said, because Auditor Talbott of Kentucky took action to prevent Barnes and his group from carrying out their agreement to trustee the stock.

The collateral given by Barnes for this loan was 3,261 shares of Shenandoah Life, 16,808 shares of Philadelphia Life and 7,334 shares of Kentucky Home. The examiners valued the loan at only \$250,000. The collateral apparently has been switched since the time when the loan was first made. At first the collateral consisted of 11,944 shares of Kentucky Home, 4,100 shares of United Life & Accident of New Hampshire and 8,500 shares of Philadelphia Life.

Although D. M. Milton, Rockefeller's son-in-law, and W. W. Head, president of the defunct Foreman State National Bank of Chicago, apparently have the inside track with Superintendent O'Malley of Missouri in their plan to form the General American Life and take over the business of the Missouri State, other proposals are being submitted. B. F. Washer of Louisville, A. M. Greenfield of Philadelphia and officials of the Continental Bank & Trust Company of New York have made a tentative proposal. The New York bank has a voice because it helped finance the purchase of the Kentucky Home. The Washer-Greenfield crowd say they would raise the capital of the Missouri State from \$1,000,000 to \$6,000,000.

Tressel Submits Plan

H. S. Tressel, right hand man to Machir J. Dorsey, who manipulated the Security Life of Chicago, Northern States Life of Indiana, Inter-Southern and Missouri State, was also in St. Louis with a proposal. Tressel at one time was executive vice-president of the Missouri State.

Insurshares Corporation, which was one of the many possessions of Julius Barnes, Frank Cohen and A. M. Greenfield, is also interested. Superintendent O'Malley has stated he will not deal with this outfit unless he is sure that Barnes and Cohen are out of it. A St. Louis investment broker who was formerly a dealer in Missouri State Life stock, is promoting a mutualization scheme.

The Lincoln National Life is inter-

ested, but O'Malley is giving no encouragement.

A conference was held Saturday between O'Malley and representatives of the Milton-Head outfit at Jefferson City. Attending the conference were Mr. Head, Arthur Coburn, vice-president of the North American Reassurance; P. C. McHaney, counsel for the Missouri department; F. L. English, St. Louis attorney, and O'Malley.

Superintendent O'Malley telegraphed all the life companies operating in that state asking them not to twist any business from the Missouri State Life. He stated that no commission should be paid to any agent who offers any business belonging to the Missouri State. He said if he found that any company had been guilty of allowing its agents to twist Missouri State business its license in Missouri would be canceled. He demanded a reply to his telegram, asking each company to outline its position.

SUGGESTION OF COCHRANE

DENVER, Sept. 7.—Commissioner Cochrane of Colorado proposed a plan to lift the defunct Missouri State from bankruptcy. He forwarded a telegram to Superintendent O'Malley of Missouri requesting a petition to the circuit court of St. Louis to place the company under the Colorado statute known as the solvency law. He said Colorado policyholders have \$70,000,000 of insurance in the company and that no other state in the Union has a law to prevent bankruptcy and further loss.

ACTION IN ALABAMA

BIRMINGHAM, Sept. 7.—Judge Snyder has named R. J. McClure, Birmingham attorney, temporary receiver for Missouri State in Alabama. The petition was filed by Mrs. Samuel Martz.

Superintendent Greer announced he will oppose appointment of a permanent receiver. A hearing is to be held Sept. 9.

"I consider the appointment of a receiver in Alabama very unfortunate," said Mr. Greer. "It can serve no constructive purpose. More expense is entailed by affording fees involved in the receivership. As far as I have been able to determine there are no assets in Alabama except about \$23,000 real estate and the deeds to the property being in St. Louis are not available in this state."

CONFlict IN ILLINOIS

A conflict developed in Illinois, where the Missouri State owns much real estate over an ancillary receivership. The attorney general, at the instance of Superintendent Palmer, brought action for an Illinois receivership in the Cook county circuit court.

At the same time Attorney Max Goldberg, in behalf of Jeanette Izenshark, a stockholder, applied for a receiver in the federal court at Chicago, seeking sequestration of Illinois assets. This petition was opposed by Palmer and attorneys representing O'Malley. Judge Barnes took the question under advisement.

BOWLES NAMED RECEIVER

RICHMOND, VA., Sept. 7.—Superintendent Bowles of Virginia was named ancillary receiver by Judge Gunn of City Circuit Court for the Missouri State.

Asks Designation of Beneficiary

The Peoria Life has asked the circuit court at Peoria, Ill., to advise whether it should pay \$39,229 life insurance on the life of the late Garrett de F. Kinney to his widow or to the state of Illinois. Mr. Kinney, a former director of the Illinois department of finance, died with an alleged shortage of \$174,000 in his accounts. The state is contending the insurance should be applied in reducing the shortage and the widow claims she is entitled to the proceeds as she is the beneficiary under the policy.

BUFFALO MUTUAL LIFE INSURANCE COMPANY
1872
OPPORTUNITIES...
in the states of New York and Ohio. Now growing faster than at any time during our 61 years. If you would like to grow with us, write in confidence with details of your experience to: E. PARKER WAGGONER, Supt. of Agents.